

**FOREIGN POLICY OF INDIA  
UNDER NARASIMHA RAO GOVERNMENT**

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IN  
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**BY  
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**UNDER THE SUPERVISION OF  
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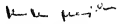
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This is to certify that the work embodied in this dissertation entitled " FOREIGN POLICY OF INDIA UNDER NARSIMHA RAO GOVERNMENT" is the original work of the candidate Mr. SUBHASH SHUKLA, and is suitable for submission for the award of D.Phil. Degree in Political Science, by the University of Allahabad, Allahabad. The candidate has fulfilled the requirements of attendance and stay.

  
(K.K. MISRA)  
Supervisor

*Dedicated  
to  
God*

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## P R E F A C E

The early nineties saw the end of the cold war, and the subsequent disintegration of the U.S.S.R. , which ushered in dramatic changes in the realm of international relations. This D. Phil thesis of mine is an attempt to describe and analyse the foreign policy responses of the Indian Government, under Prime Minister Mr. P.V. Narasimha Rao, in the post cold war world. It is an attempt to make an exhaustive study of the Indian foreign policy during this Government, covering India's relations with the Major Powers (U.S.A., Russia and China); India's relations with its Neighbours; India and the U.N., Human Rights, Nuclear Non-Proliferation and NAM; India's Economic Diplomacy; and Personality of Prime Minister Narasimha Rao and the Decision Making Process.

This research work is based on the authoritative texts on the subject, contemporary journals, the Asian Recorder, Keesings Record of World Events, Annual Report of the Ministry of External Affairs, Foreign Affairs Record, Selected Speeches of Prime Minister P.V. Narasimha Rao, India Yearbook, the newspapers and views of those who possessed first hand knowledge. The

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method of the study has been descriptive and analytical; describing the facts and policies and analysing the reasons of the policies and the shifts and changes that took place in the Indian foreign policy during this era. I have tried to be as objective as possible in the collection of data and my work.

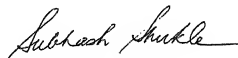
In my research work, I was guided by Prof. (Dr.) K.K. Misra. I am extremely grateful to him for all the guidance, supervision, inspiration and patient listening he gave to me. I would like to convey my regards to Mrs. Maya Misra, wife of Prof. (Dr.) K.K. Misra. I am thankful to Dr. Alok Pant, the present Head, Department of Political Science, University of Allahabad, and to Mr. D.D. Kaushik, Lecturer, Department of Political Science, University of Allahabad and all the members of the same department, for their cooperation in this work. I would also thank Prof. (Dr.) Sushil Kumar, Prof. (Dr.) K.P. Misra & Prof. (Dr.) Pushpesh Pant, for their inspiration behind this work. I would also like to thank the Librarian of the Jawaharlal Nehru University Library and the Librarian of the Nehru

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Memorial Museum Library for their full cooperation in extending the facilities of their library to me.

Ultimately, I would like to express my deep gratitude to the Almighty, my parents, my brother, other family members, and relatives, and friends who made it possible to complete this work.

I am presenting this thesis with the hope that it would be upto the expectations of the connoisseurs of Indian Foreign Policy and would contribute to further studies in this field.

  
( SUBHASH SHUKLA )

# Chapter-I

## BACKGROUND

### FOREIGN POLICY : A THEORETICAL PERSPECTIVE

All states, in the contemporary world, have some kind of relations among themselves. Every government has to behave in a particular manner in relation to the governments of other states. The behaviour of every state affects the behaviour of other states in some form or the other, and every state tries to maximise the favourable effect of the actions of other states and minimise the adverse effects. The adjustment of the actions of states in favour of one's own state has been said to be the "purpose of foreign policy".<sup>1</sup> In this sense, foreign policy is defined as "the system of activities evolved by communities for changing the behaviour of other states and for adjusting their own activities to the international environment."<sup>2</sup> However, the aim of a foreign policy is not only to change the behaviour of other states but also to adjust the behaviour of other states to suit one's own national interest as best as possible.

Foreign policy is, also, defined as a synthesis of ends and means. The end is the national interest of

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1. George Modelski, A Theory of Foreign Policy, London, 1962, p. 3.
  2. Ibid, pp. 6-7.

a state and the means are the power and capabilities of nation-states. Reduced to its most fundamental ingredients, foreign policy consists of two elements : national objectives to be achieved and means for achieving them.<sup>1</sup> The foreign policy of a state, usually, refers to certain general principles by which nation-states govern their reactions to the international environment, which may be called the guiding ideology of the foreign policy of a nation state. Therefore, foreign policy can be defined as a thought out course of action by a nation state for achieving objectives in foreign relations as dictated by its ideology and national interest.

The goals and objectives of foreign policy can be classified into various pairs of contrasting objectives, such as possession goals and milieu goals. The former are those goals which a foreign policy seeks to achieve in order to preserve its possessions like a stretch of territory or a membership of some world organization, whereas the latter are those goals which nations pursue in order

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1. Cecil V. Crabb, Jr., American Foreign Policy in Nuclear Age, New York, 1972, p. 1.

to shape favourable conditions beyond their national boundaries. Similarly, objectives may be direct national goals, such as preservation of national independence and national security, whereas goals that are of primary benefit to citizens or groups of citizens are indirect national goals. Objectives can also be grouped as :- (a) core values and interests, (b) middle range objectives, and c) long range objectives. The core values and interests are those which are related with the very existence of a nation state such as self preservation, defence of strategically vital areas, ethnic, religious or linguistic unity, and protection of cultural and political institutions as well as beliefs and values, and economic development. The middle range objectives include :- a) trade, foreign aid, access to communication facilities, sources of supplies and foreign markets, (b) increase of state prestige by expansion of military capacity, distribution of foreign aid and other forms of self expansion by a state. The long range objectives include plans, dreams, visions and grand designs concerning the ultimate political or ideological organisation of the international system.

Foreign policy is determined by various factors. The various variables that affect making of foreign policy have been grouped into five major categories:<sup>1</sup>

a) **Idiosyncratic Variables** : These variables are concerned with the perceptions, images, and personal characteristics of decision makers: cautiousness versus rashness, anger versus prudence, pragmatism versus ideological crusadism and so. It covers the psychological characteristics and the ideological predilections of leaders and other decision makers who have an impact on the foreign policy outcome. However, the variables that are related to these characteristics are very difficult to measure. Moreover, the impact of idiosyncratic variables is greater in crisis than in programmatic decisions.

b) **Role Variables** : They are somewhat more difficult to pinpoint. They are usually defined as job descriptions or as expected rules of behaviour for heads of government and other officials who affect, formulate and implement foreign policies. Unlike

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1. Rosenau, James N., Scientific Study of Foreign Policy, New York, 1971, pp. 95-150.



idiosyncratic variables, role variables are probably better suited to explain programmatic and tactical decisions in democratic societies. Role variables are more operative in democratic systems because the behaviour of the decision maker is much more visible and subject to criticism than in totalitarian systems.

c) **Bureaucratic Variables :** These variables are concerned with the structure and process of a government and their effects upon foreign policies. They include the structure of governmental organizations, the standard operating procedures of major bureaucratic agencies, the decision making processes at various levels of policy formulation, techniques for implementing policy decisions, and the attitudes of officials regarding the impact of foreign policies on domestic policies and on the general welfare of their country. Nation states which possess large and complex bureaucracies are more likely to be subject to the impact of bureaucratic variables.

d) **National Variables :** This category embraces a number of national attributes that influence foreign policy outcomes. It includes environmental variables,

population attributes, power capabilities of a nation, the political economic and social systems of a nation state, national character, culture, shared images and historical memories of nation states. The comprehensive-ness and inclusiveness of national variables has a very important impact on decisions of leaders of almost all the states.

e) **Systemic variables :** This includes the large number of variables that are external to a country, for instance the structure and processes of the whole international system. Systemic variables, also, include the policies and actions of other nation states which can stimulate policy responses from a particular nation state selected for study. In fact, the assumption of most traditionally as well as scientifically oriented theorists of international relations has been that foreign policy is a set of responses to external challenges and opportunities. These theorists view foreign policies as rationally defined objectives of nation states acting through their governments. These objectives are to defend existing possessions or accomplishments and to maximise opportunities within

prudent limits, for new possessions and related accomplishments. Systemic variables affect a state's foreign policy formulation both objectively and subjectively. The objective effect is that systemic variables provide constraints and opportunities that outline the general directions of foreign policies. The subjective effect is that systemic variables can be seen only through the eyes of foreign policy makers.

Foreign policy is never uniquely determined by any one factor or a set of factors, but is a result of the interplay of a large number of factors that affect the formulation of policy in different ways in different circumstances. Some of these factors are relatively stable, and have to be taken as given by the makers of foreign policy, and can therefore, be regarded as more basic or unchangeable determinants of policy than others; but the more variable institutional factors and even the personal role of the decision makers are no less important in the process of decision making than the basic determinants.

## INDIA'S FOREIGN POLICY SINCE INDEPENDENCE : AN OVERVIEW

### NEHRU ERA

Pt. Jawaharlal Nehru was the philosopher, the architect, the engineer and the voice of India's policy towards the outside world. His personality dominated both the formulation of the policy and its implementation to an extent and degree for which in peace time there are few parallels in any other democratic country.

The domestic context in which this policy was formulated had three guiding forces in political democracy, economic development and secularism. The international context in which India's foreign policy and relations were formulated and implemented during Pt. Nehru's era was characterised by the Cold War in full swing, neither of the blocs tolerated or respected non-alignment, this was a period of proliferation of military pacts and alliances, the super powers heading the two camps were trying to enlist to their respective camps the non-aligned nations, de-Stalinisation was to have its impact on Soviet Foreign Policy and relations, just as the Dullesian policy of containment of international communism was yet to be replaced by a

policy of peaceful coexistence and competition, and the armaments race, especially in nuclear weapons, was going on at a furious pace. Conditioned by this domestic and international context, India's foreign policy was characterised by several distinguishing features during the Nehru era<sup>1</sup> :-

- i) Tolerance of different views and attitudes, and moderation.
- ii) India was not afraid of the Great Powers, nor did it like the smaller and the weaker powers around it to be afraid of them. India did not desire, or seek to be a leader, or a camp follower of any nation or group of nations.
- iii) Both in its narrow national interest and for the larger good of the society of nations, India sought to play an active role in world affairs.
- iv) India's foreign policy under Pt. Nehru aimed at a judicious combination of idealism and realism. Pt. Nehru said that a foreign policy should be "idealistic, aiming at certain objectives, and at the same time it should be realistic. If it is not idealistic, it becomes one of sheer opportunism, if it is not realistic, then it is likely to be adventurist and wholly

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1. M.S. Rajan (ed), India's Foreign Relations during the Nehru Era: Some Studies, Bombay, 1976, pp. ix-xi

ineffective".<sup>1</sup>

- v) Pt. Nehru laid great emphasis on adopting the right means even for achieving right ends.
- vi) Panchasheel, i.e. mutual respect for each other's territorial integrity and sovereignty, mutual non-interference in each others' internal affairs, equality, mutual benefit and peaceful coexistence, was an important trend in India's foreign policy under Pt. Nehru.
- vii) A characteristic feature of India's foreign policy under Pt. Nehru was strident opposition to the Cold War.

If the above were the characteristic features of the policy, the following were the concrete goals of India's foreign policy under Pt. Nehru. The primary and over-riding goal of India's foreign policy under Pt. Nehru was the maintenance of international peace and security. Promotion of self determination for all colonial peoples was the second major goal of India's foreign policy. Opposition to racialism and all its

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1. Ibid, pp. ix-x.

manifestations was the third important objective of India's foreign policy under Pt. Nehru . Another major goal of India's foreign policy was peaceful settlement of disputes, with emphasis being more on 'peaceful' than on 'settlement'. Lastly, it was the goal of India's foreign policy under Prime Minister Nehru to secure for the newly independent Asian and African countries the voice and influence to which they were entitled to in the councils of the world.

The most important aspect of India's foreign policy under Pt. Nehru was the vigorous pursuit of non-alignment. In a world divided in two powerful blocs which coincided with the two dominant ideologies at that time, both of which were repugnant to nationalist Indian thinking, the only rational strategy for foreign policy could be that of non-alignment. Enumerating his concept of non-alignment, Pt. Nehru stated in Lok Sabha on December 9, 1958, "When we say our policy is one of non-alignment, obviously we mean non-alignment with military blocs. It is not a negative policy. It is a positive one and I hope a dynamic one. But, in so far as the military and the cold war are concerned, we do not align ourselves with either blocs... We are not

parties to the cold war, and we are not members of, or attached to, any military bloc. The policy itself can only be a policy of acting according to our best judgement... I am not prepared even as an individual, much less as the foreign minister of this country, to give up my right of independent judgement to anybody else in other countries. That is the essence of our policy."<sup>1</sup> Emerging as the seventh largest state, with the second largest population in the world, & with a relatively large stock of natural resources, India in 1947 had the power potential necessary for influencing, to some extent, the course of contemporary world politics. It would have been irrational for her to be oblivious of the geopolitical reality and to restrict her freedom in the international field by being politically or militarily aligned with one of the two blocs of power into which international politics came to be divided. Nehru perceived this geo-political reality, when he said, "India is too big a country to be bound down to any country, however, big it may be."<sup>2</sup>

The Indian policy of non-alignment confronted the American foreign policy of containment of international communism. The objectives of the Indian foreign policy during the early years of independence

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1. Jawaharlal Nehru's Speeches, (September 1957-April, 1963) Volume IV, Dehli, 1964, p.381.
  2. Jawaharlal Nehru, Indian Foreign Policy, Delhi, 1961, p. 32.



were to eliminate the Western presence from Asia and to establish a group of states which could powerfully sponsor Asian objectives in the global arena. The U.S. suspected India's policy of non-alignment as indirect support to the Communist bloc. From the beginning, Pt. Nehru had ambiguous feelings about the United States such as, admiration for American dynamism and technology was coupled with mistrust of their ability to use power and 'disdain' for their flaunting of wealth, curiosity about American achievement was accompanied by the desire to have Indian achievements admired too. On the other hand, the American policy makers tended to judge India through Nehru. They saw in him qualities they admired or disliked and made decisions accordingly. They found him, personally, difficult to deal with, but recognised his crucial role in modern India. They, probably, never understood his complex personality or his philosophy of action, they were confused by his statements, irritated by them, and paid more attention to his words than his deeds.<sup>1</sup> During the Nehru era, there was no conflict of real interests

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1. Surjit Mansingh, India and the United States, in B.R. Nanda (ed), Indian Foreign Policy: The Nehru Years, New Delhi, 1990 , pp.152-153. .

between the two countries, their differences of opinion were ideological or concerned with relations with third countries: China, Pakistan, Korea, Indo-China region. Regarding China, Washington refused to extend diplomatic recognition to the People's Republic of China, whereas India extended its diplomatic recognition to her in 1949. The United States of America opposed the entry of People's Republic of China into the United Nations vehemently, whereas India along with the Soviet Union supported China's entry into the U.N. However, during the 1962 Chinese aggression, Washington responded to Pt. Nehru's world wide request for military assistance within twelve hours of his request . As regards Pakistan, differences arose because of U.S. - Pakistan military alliances in the Cold War scheme of things and the U.S. support to Pakistan on the Kashmir issue. However, the economic ties established between India and the U.S. during the Nehru era provided a productive contrast to their political dialogue. Indo-U.S. trade, economic and technological relations expanded during the latter half of the Nehru era.

With the other super power, the U.S.S.R., India's relations after a rather tardy start, underwent a process of spectacular development to which Pt. Nehru's own contribution was most significant. In the initial years after independence, he refused to be put off by the icy reserve which he, initially, encountered from the Soviet leadership. His optimism was well rewarded from 1951 onwards when there were signs of a thaw. The turning point in Indo-Soviet relations, however, came in the post-Stalin period with Pt. Nehru visiting the U.S.S.R. and Mr. Khrushchev visiting India in 1955. From 1955 onwards, there was a progressive improvement in Indo-Soviet relations. The Soviet Union extended diplomatic support to India at the United Nations on issues such as Kashmir and Goa. Trade and economic cooperation between the two countries grew rapidly, Soviet Union's help for India's heavy industry was particularly welcome. It is note worthy that during the very years when India was developing closer relations with the Soviet Union, her relations with the United States were also improving.

There was an element of underlying realism in Pt. Nehru's policy towards China. He was aware of the

fact that a strong China had come into existence and was going to make herself increasingly felt in world affairs. His approach to China was deliberately designed to disarm its suspicions and fears. He was prepared to make every possible concession to Chinese misgivings in order to bring them round to an uninhibited, peaceful and good neighbourly attitude. Pt. Nehru's basic idea regarding India's policy towards China was that it was not in India's long term interest to accelerate a confrontation with China. His idea seemed to have been to delay a possible confrontation with China and to concentrate on rapid economic development. In 1954, the two sides signed an agreement which proclaimed the Panchasheel doctrine. But this element of basic realism in Pt. Nehru's approach towards China was somewhat overshadowed by a powerful sense of idealism which influenced his short term assessment of Chinese policy towards India. This resulted in a relative underestimation of the nature of the politico-military threat posed by China in the short run, and in the apparent absence of short term strategic thinking on the problem of India's security. This ultimately led to the debacle of 1962.

Kashmir was, perhaps, the most important issue in India's foreign relations during the Nehru era. It was the single most important factor which brought the Cold War to the Indian sub continent. Pt. Nehru's attempt to combine idealism and realism was apparent from the beginning in his handling of the Kashmir issue. Yet when the Maharaja of Kashmir backed by Mr. Sheikh Abdullah, who was the President of the Kashmir National Conference and the undisputed leader of the Muslims at that time, offered the unconditional accession of the State to India, it was mainly due to Pt. Nehru's idealism that the accession was made conditional by India unilaterally. It was Pt. Nehru, and not Lord Mountbatten, who insisted that the Governor General's letter to the Maharaja must state categorically that the accession was contingent on the wishes of the people of Kashmir. The idealistic element in Pt. Nehru's approach to the Kashmir question was also revealed on the occasion of the reference of the issue to the U.N. In the first place, the international political situation being what it was at the end of 1947, it was, prima facie, unrealistic to expect that

the U.N. would be able to settle the issue to India's satisfaction. Secondly, from every point of view it was Pakistan which had reason to go to the U.N. It was Pakistan and not India that disrupted the accession of Kashmir to India and was unsuccessful in occupying the major part of Kashmir. By this act, India, on her own initiative, imparted to the Kashmir question the character of an international dispute. Thirdly, India's reference of the Kashmir issue to the U.N. under Chapter VI of the U.N. Charter which deals with the pacific settlement of international disputes through negotiation, mediation and conciliation etc., rather than under Chapter VII, which deals with enforcement action was inappropriate. Though Nehru tried to strike a balance between idealism and realism in his Kashmir policy, his firm commitment to democratic principles impelled him to go out of the way to make the state's accession to India unilaterally conditional, and his great desire to not escalate the conflict, and thus jeopardize Asian solidarity and world peace, as well as his idealistic faith in the United Nations prompted him to refer the issue to the world body. The reference to

the U.N. under Chapter VI of the U.N. Charter, instead of Chapter VII, can also be explained by his desire not to create a war situation on India's border and pave the way for a possible return of the Western powers to the subcontinent in one form or another.

Nehru's main contribution to the making of Indian foreign policy was his attempt to conciliate idealism and realism, short term and long term policies, into a stable equilibrium according to his best judgement,. In this attempt he was primarily guided by the logic of the basic and objective determinants of India's foreign policy - "real" as well as "ideological" - rather than by personal passion and prejudices. Whether Nehru was able to combine idealism and realism rationally in the specific applications of his foreign policy is, however, a debatable question . He often started with high principles and committed the state to a certain idealistic position as in regard to Kashmir, China and Goa. Sometimes at a later stage, Pt. Nehru had to modify substantially or even abandon the original commitment under the pressure of circumstances as in the case of Kashmir and Goa. But then, his

obsession with high sounding principles in international affairs did not mean that he was unaware of the realities of foreign affairs. He said, "Art of conducting the foreign affairs of a country lies in finding out what is most advantageous to the country .... we may talk about peace and freedom and earnestly mean what we say. But in the ultimate analysis, a government functions for the good of the country it governs, and no government dare do anything which in the short or long run, is manifestly to the disadvantage of the country."<sup>1</sup>

One could differ with Pt. Nehru's handling of a particular problem or crisis, but there is no doubt that, by and large, the policies he framed - almost intuitively - for India's relations with the outside world have stood the test of time. In framing these policies, he could take a larger view, because his vision was a happy amalgam of Western liberalism, Marxism and Gandhism.

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1. Constituent Assembly of India (Legislative) Debates, Official Report, Volume II, Delhi, 1948, pp. 1262-63.



SHASTRI REGIME

The Shastri regime was distinguished from the Nehru era not so much by radical innovations in foreign policy as by the further development of trends whose origin could be traced in many cases to the last years of Nehru's regime and, in particular, to the debacle in the 1962 war with China. At the same time, the sharp contrast between the personality of Pt. Nehru on the one hand, and that of Mr. Lal Bahadur Shastri, on the other, could not but affect India's official perception of the global reality with reference to India's national interest, and the style as well as the content of decision making in foreign policy.

It followed that while the Shastri Administration reiterated India's commitment to non-alignment, the Afro-Asian movement, disarmament and the U.N., it replaced the high rhetoric and global sweep of Indian diplomacy during the Nehru era by pragmatism and bilateralism. No longer was non-alignment used to exhort or admonish the Great powers. Instead, it was applied in a more modest geographic context. Fostering of good relations with

nations in the region of South and South-East Asia was regarded as more important than efforts directed at global relationships. Subsequently , Mr. Swaran Singh, the then External Affairs Minister, visited Nepal, Burma, Sri Lanka, Afghanistan and other neighbours with a view to improving India's bilateral relations with them. Shastri - Singh diplomacy led to the solution of the vexatious problem of the people of Indian origin in Sri Lanka. Presumably, the idea was to improve India's relations with neighbouring countries other than Pakistan and China before turning to these major and difficult neighbours.

The positive and dynamic aspects of non alignment , expressive of a desire for actual participation in the grand affairs of world politics gave way to the more humble pre-occupation with saving India from predatory neighbours and staying out of other nations' complicated affairs. It may have meant some loss of international status, but made India's foreign policy more realistic.

This realism as well as Mr. Lal Bahadur Shastri's competence was revealed during the Indo-Pakistan war in 1965. When the Pakistani troops

launched an attack on Kashmir, the Indian army not only crossed the cease-fire line in Kashmir, but advanced into west Pakistan on other fronts, ignoring the Chinese ultimatum. At the same time, Prime Minister Shastri did not extend the war to East Pakistan, inspite of serious provocations from Pakistan on this front, in order to avoid internationalisation of this crisis.

At Tashkent, Prime Minister Shastri proved to be an able negotiator and peacemaker where an agreement between India and Pakistan was reached which was, on the whole, favourable to India. There was no mention of Kashmir, at all, in the Joint Declaration and both the countries agreed not to take recourse to force and to settle their disputes through peaceful means. These were the only two points insisted upon by Mr. Shastri, in return for the withdrawal of Indian troops from Pakistan.

With the disappearance of the personalised and generalized foreign policy of Pt. Nehru, policy making machinery was expanded and improved with innovations in the institutional aspect of foreign policy decision

making. For the first time, the post of a whole time Foreign Minister was created. This was followed by the abolition of the post of Secretary General of the Ministry of External Affairs. The Pillai Committee was appointed to study the functioning of the IFS as a whole.<sup>1</sup> The Economic Division and the External Publicity Division were expanded. The decision was made to integrate the Indian Foreign Service and the Indian Information Service. The Intelligence set up was also upgraded and expanded and institutionally linked with the Political Affairs Committee of the Cabinet through the newly created Steering Committee.

Mr. Shastri and Mr. Swaran Singh may have been smaller men than Pt. Nehru but they tried to create a stable institutional framework for decision making which would, in the longer run, make for greater rationality in foreign policy than the personal wisdom of a Prime Minister or a Foreign Minister could ever be expected to ensure.

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1. J. Bandyopadhyaya, *The Making of India's Foreign Policy*, New Delhi, 1987, p. 327.

THE FIRST PHASE OF INDIRA GANDHI ERA

When Mrs. Gandhi took over the reigns of office, India's relations with the two global powers had reached an interesting stage. There were already the beginnings of suspicion and misunderstanding along with multifaceted cooperation in the cultural and economic field with the United States of America. On the other hand, with the Soviet Union, relations were still, on the whole, at a formative stage which had been the result of Pt. Jawaharlal Nehru's special appreciation of the helpful role of the Soviet Union and the Socialist world in some of the major global problems which preoccupied India and the other newly independent countries. In the beginning, Mrs. Gandhi entertained the hope of a vastly improved political and economic relationship with the United States. But the lessons learnt from her first trip abroad to the U.S. were quite different from her expectations. Despite the trauma of the Sino-Indian conflict and the efforts of Mrs. Gandhi to reach a new level of relationship, India and the United States could not overcome their differences. The U.S. President, Mr. Richard Nixon

embarked upon a policy of creating a new equation with China, partly with the good offices of Pakistan, this came into conflict with India's basic interests. Gradually, Mrs. Gandhi abandoned the hope of a close political relationship with the U.S.A. as she came to believe that in playing its own strategic game Washington would not be very sensitive to Indian interests and susceptibilities. Mrs. Gandhi felt that an advantageous management of the relationship with super powers required India to have a counter balancing chip in her hands in Indo-Soviet friendship against the rapidly emerging U.S.- Sino-Pak axis.

This led Mrs. Gandhi to sign the Treaty of Peace, Friendship and Mutual Cooperation with the U.S.S.R. in 1971. It required Mrs. Gandhi's personality and political style to make this crucial decision quickly and, apparently, without any hesitation to conduct the negotiations in such extreme secrecy, and to take India and the world by complete surprise, in the way she did. Though this treaty had certain security implications, it did not compromise the non-aligned status of India as the events after the signing of the treaty proved that India did not in any sense become a

client of the U.S.S.R.

The strategic environment around India had obviously deteriorated when India signed the treaty with the Soviet Union. At the same time, Mrs. Gandhi launched a global diplomatic offensive, in order to win sympathy for India's position on the Bangladesh refugee crisis, and also to prepare the ground for military intervention which was sure to follow. She visited the U.S.S.R., Belgium, Austria, the U.K., France, West Germany and the U.S. and sent her emissaries to West Asia, Africa and South East Asia. . . . The confrontation between India and Pakistan started on 3 December, 1971 when a Pakistani aircraft struck against a number of Indian airports in the Western sector. Ignoring the U.S. threat of the detachment of the U.S. Seventh Fleet to the Bay of Bengal, Mrs. Gandhi advised the service chiefs to try for as quick and decisive a victory as possible. The war lasted until December, 16, when the ceasefire took place. Bangladesh was liberated, winning Mrs. Gandhi the accolades of Goddess Durga.

The Simla Agreement was signed between India and Pakistan on 2nd July, 1972, when both countries resolved

to settle their differences by peaceful means through bilateral negotiations or by any peaceful means mutually agreed upon. The implementation of Simla Agreement was quite speedy in its essentials. The delineation of the Line of Control in Jammu and Kashmir was completed by 11th December, 1972. The withdrawal of troops from territories under each others' adverse possession was completed by 20th December. Eventually, on 28th August, 1973, an agreement was arrived at providing for a process of simultaneous repatriation of 93000 Pakistani prisoners of war and civil internees in India. The Pakistan territory was vacated by Indian armed forces. While releasing the prisoners of war and vacating the conquered territory were practical measures necessary for ensuring sub continental peace; it was a failure of India's foreign policy to have allowed Jammu and Kashmir to be acknowledged as an issue at dispute. In retrospect, India lost a valuable opportunity for resolving the Jammu and Kashmir problem which even now remains a threat to India's territorial integrity and a disturbing factor in Indo-Pakistan relations.

The signing of the Indo-Soviet treaty in 1971,



heralded a new era of cooperation between the two countries ,whereas the U.S. President Nixon stated, after the Bangladesh war, that the United States would make efforts to develop a new relationship with India in order to heal the wounds of the 1971 war.<sup>1</sup> India responded by affirming that it stood ready for a suitable response and did not believe in a permanent estrangement. Both countries were, thus, looking for a suitable response and to seek workable accomodation, but the 1974 nuclear explosion at Pokhran brought about a vocal disapproval from the United States.

Mrs. Gandhi was committed to the declared Indian policy of development and utilisation of nuclear energy for purely peaceful purposes in theory, but in practice her attitude became ambivalent. The impression created by her various utterances was that she wanted to keep her options open with regard to nuclear weapons. It was against the grain of Mrs. Indira Gandhi's personality to be pressurised into accepting any conditions from any one against her will. Therefore, when the U.S.A. and the U.S.S.R. jointly sponsored the nuclear

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1. A.K. Damodaran'. and U.S. Bajpai'.(ed.), Indian Foreign Policy: The Indira Gandhi Years, New Delhi, 1990, p. 33.

Non-Proliferation Treaty in 1968 and tried to pressurise India into signing it, she stoutly resisted the pressure. The discriminatory character of the treaty fully justified her refusal, and her policy received wide support in the country. When India exploded her nuclear device in May 1974 many people saw this as a justification of the apprehension that she would not desist from making military use of India's nuclear capability as and when the situation demanded. She gave no assurance that such explosions would not be repeated in the future.

Sikkim's merger in India undoubtedly led to a significant improvement in India's national security and added another feather to Mrs. Indira Gandhi's Cap. The entire process of constitutional change took place entirely under India's control and administration, and even the elections and the referendum were organized by Indian officials, but the methods adopted by Mrs. Gandhi would not have been approved of by Nehru or Shastri and were openly repudiated by her successor.

Mrs. Gandhi vigorously supported the Non-Aligned Movement. Within months after taking over, she undertook a visit to the two other founding members

of the Non-Aligned Movement, in order to strengthen it. According to her, non-alignment was meaningless without such key components as autonomy and self reliance. She was of the view that the non-bloc character of non-alignment did not mean equidistance from blocs because such a mechanical position could not constructively respond to the plurality amongst the members of the movement. At the Lusaka Non-Aligned Summit, she described non-alignment as an unfinished revolution.<sup>1</sup> Under her leadership, India built a reputation of a balanced and mature leadership within the Non-Aligned Movement.

The period from 1975 to 1977 was one of defensive self exploration in the sphere of India's foreign policy. When Mrs. Gandhi declared a state of emergency, Indian credibility as a democracy suffered a setback. After the purposiveness and successes which characterised India's foreign policy, till 1974, the end of Mrs. Gandhi's first tenure as Prime Minister in March 1977 was an anti-climax.

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1. K.P.Misra, Non alignment : Indira Gandhi's Contribution, in A.K. Damodaran and U.S. Bajpai (ed), op.cit. , p. 55.

### THE JANATA GOVERNMENT

When the Janata Party came to power, many hopes and fears were expressed, in India as well as abroad, in respect of continuity and change in India's foreign policy. Most of these hopes and fears proved to be groundless. In fact, the handling of the foreign policy by the Janata Government proved to be the only bright spot in its, otherwise, disappointing record. The old national consensus was revived. Indeed, one can even go further and maintain that there was never before such wide consensus on foreign policy as during this Government, not even under the Prime Ministership of Pt. Nehru.

The main object of the foreign policy of the Janata Party Government was to create an environment of peace, trust and stability which would permit optimum utilisation of natural and manpower resources for economic, social and cultural advancement. Within this broad framework, several specific characteristics or directions of the foreign policy manifested themselves, namely genuine or proper non alignment, top priority to better understanding and cooperation with immediate neighbours, pursuit of a policy of 'benefic

'bilateralism' in general, renewed interest in the Commonwealth as a multilateral association and a somewhat different articulation of India's nuclear policy.

When the Indo-Soviet Treaty of Peace, Friendship and Cooperation was signed on 9 August, 1971, opposition leaders in India - later on Janata Party stalwarts - had seen in it an unmistakeable shift or departure from non-alignment. Prime Minister Desai, after assuming office, felt that India was leaning towards U.S.S.R., which should not happen. However, in practice, the Janata Government did not scrap or modify the Indo-Soviet Treaty. In fact, when Prime Minister Mr. Desai and Mr. Vajpayee, the then External Affairs Minister, visited Moscow in the last week of October, 1977, ~~in~~ the Joint Declaration, at the conclusion of this visit, the two countries agreed to carry forward their relations, 'in the spirit of the Indo-Soviet Treaty', the only change being from the previous practices of 'on the basis of the Indo-Soviet treaty'.<sup>1</sup>

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1. S.C.Gangal, Trends in India's Foreign Policy, in Misra, K.P.(ed), Janata's Foreign Policy, New Delhi, 1979, p. 32.

So far as the United States was concerned, much was expected from President Carter's visit to India in January, 1978 which was coming about at a time when mutual appreciation and understanding between India and the United States was marked by an unmistakably upward trend. However, contrary to public enthusiasm and hopes, the Carter visit had the effect of leaving Indo-American relations at a somewhat awkward level due to differences on perceptions relating to human rights, nuclear non-proliferation and the support to Pakistan's defence and economic requirements and its position on Kashmir by the U.S. Prime Minister Desai reciprocated this visit by visiting the United States in June 1978. There was no resolution of the Indo-American differences on nuclear safeguards, non-proliferation or the resumption of uranium supplies to Tarapur. Also, Indo- U.S. economic relations could not show any qualitative improvement primarily due to the inner contradictions of the Janata Government because the Finance Minister Mr. H.M. Patel was a strong advocate of the liberalisation and privatisation of the Indian economy whereas, the Minister for Industry, Mr. George Fernandes, with his socialistic ideological commitments was strongly opposed to this stand.

In keeping with benefic bilateralism, the Janata Government initiated efforts to normalise relations with China. In this context, the visit to China of Mr. Atal Behari Vajpayee was significant and fruitful. It was during this visit that the Chinese leader Mr. Deng Xiao Peng first conveyed the view that China would be willing to normalise relations with India without predicating the process on the resolution of the Sino-Indian boundary dispute.<sup>1</sup> Mr. Vajpayee suggested that Sino-Indian dialogue should be renewed to revive bilateral relations in those sectors which were non controversial and which could be mutually beneficial, setting aside the boundary question for the time being. This exchange marked a crucial shift in Sino-Indian relations.

The External Affairs Minister, Mr. Atal Behari Vajpayee's attempts at improving Indo-Pakistan relations were equally significant. The initiatives taken for high level visits for bringing about normalcy in economic and commercial relations, for making people to people contacts, came from India. Pakistan's response

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1. J.N. Dixit, Across Borders : 50 Years of India's Foreign Policy, New Delhi, 1998, p. 128.

to these endeavours was not entirely negative but it was selective. This resulted in expanded cooperation in the fields of commerce , culture and sports. The bilateral agreement with regard to the Salal Dam was signed in April, 1978. These positive developments, however, could not rectify the fundamental aberration in Indo-Pakistan relations. Pakistan continued to articulate the Kashmir issue in international forums. Moreover, from 1978 onwards , Pakistani intelligence agencies commenced the policy of creating subversion through Sikh militants in Punjab.

As regards the Janata Government's nuclear policy was concerned, it indicated that if it was not necessary to have nuclear explosions for peaceful purposes, then it would not be done, and if a peaceful nuclear explosion was necessary India will do it, not in a hide and seek manner, but will let the people know that it was being done. At the same time, the Janata Government reiterated India's resolve not to sign the nuclear Non-proliferation Treaty (NPT) on account of its discriminatory character. The nuclear policy was, however, marked by confusion and vacillation.



The Janata Government , also, acknowledged the importance of developing relations with Israel. Beginnings were made to establish political contacts and to discuss issues of security and common concern with Tel Aviv.

Continuity, against change, received higher priority in foreign policy by the Janata Government, perhaps because of possible fear of consequences of change.

#### CHARAN SINGH INTERREGNUM

The Charan Singh Government , on assumption of power, had stated that it would continue to follow the policy of non-alignment, which will not lean on any super power.<sup>1</sup> However, the Government's preoccupation with internal affairs, as it resigned only after twenty three days and was a caretaker government, thereafter, meant that foreign affairs were assigned a secondary place. Two significant events related to foreign policy during this period, however, are worth mentioning. First, India's decision to allow Pakistan to join the Non-aligned movement at the Havana Summit in September

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1. M.SRajan, and A. Appadorai, India's Foreign Policy and Relations, New Delhi, 1985, p. 619.

1979 and, second, Mr. Charan Singh's initial cut and dry reaction to the Soviet Intervention in Afghanistan in December, 1979.

#### THE RETURN OF MRS. GANDHI

Mrs. Gandhi returned to power in January 1980, just after the Soviet intervention in Afghanistan. Mrs. Gandhi adopted a policy stance consisting of three main elements. First, India would convey its objections to the Soviet military intervention and the Soviet military presence in Afghanistan, bilaterally to the Soviet leadership. Secondly, in multilateral fora, India would not indulge in one-sided criticism of the Soviet Union, but would advocate non-intervention in Afghanistan by all external forces and the creation of a democratic non-alignment government in Afghanistan. India would dissuade the United States from provoking Soviet retaliation by rearming Pakistan and intensifying verbal attacks on the Soviet Union. Thirdly, India would be generally supportive of the People's Democratic Party of Afghanistan (PDPA).

While Mrs. Gandhi temporised on the U.S.S.R.'s intervention in Afghanistan, the presence of Soviet forces at the Pak-Afghan border was not welcome to

India from the point of view of its security and strategic interests. Sustaining an equation with the Americans was, therefore, important. Mrs. Gandhi decided upon a dual approach towards the United States. One, to continue to appeal to the public, especially to those sections of vocal public opinion among the media, Congress and the academicians who were somewhat more sympathetic to the Indian case and second, to keep the lines open with the White House too. In pursuance of this approach, she visited United States in July 1982 which she described as an 'adventure in search of understanding and friendship'.<sup>1</sup> Mrs. Gandhi explained to the U.S. President, Mr. Ronald Reagan, India's position concerning Afghanistan and her advocacy of total non-interference in the affairs of any country by outside powers. She, also, conveyed India's serious concern over the U.S. supply of sophisticated military equipment to Pakistan and questioned its justification. She underlined the need for increased external assistance on concessional terms from the IMF and the World Bank to maintain the pace of economic

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1. A.K. Damodaran and U.S. Bajpai. (ed.), op.cit., p. 37.

development in India. Apart from Tarapore Compromise being formalised during this visit, Mr. Reagan and Mrs. Gandhi signed certain agreements to expand scientific and technological cooperation, and cultural and educational exchanges between the two countries. The United States supported the \$2 bn. assistance from the World Bank and IMF. It also gave a positive response to India's defence requirements. However, this response was at the political level because actual defence supplies did not materialise due to Indian apprehensions that the U.S. would cut off supplies in case of a conflict situation with Pakistan. While Indo-U.S. relations shifted to a positive track in terms of political atmospherics, the basic differences between New Delhi and Washington on strategic and security matters, and on regional issues remained insurmountable. Despite the positive chemistry between Mr. Reagan and Mrs. Gandhi, there was no significant or qualitative improvement in the content of Indo-U.S. relations during the period.

Relations with the U.S.S.R. were characterised by a drift and a somewhat downward slide during Mrs. Gandhi's second tenure. The Afghan issue did create a

difference of opinion with the U.S.S.R. , for even as India understood the various considerations impelling Moscow as also the fact that the government in Kabul had asked for Soviet assistance, India was not in favour of the presence of foreign troops and stood for an overall political settlement that would ensure withdrawal of Soviet troops. The feeling that both the U.S.A. and China had deep commitments to buttressing up military regime in Islamabad, reinforced the acknowledgement of shared concern in both New Delhi and Moscow and the desirability of retaining counterbalancing relationship so that neither of them was isolated individually. Inevitably, Indo-Soviet cooperation, also, continued, therefore, in various spheres.

After her return to power, Mrs. Gandhi showed great sensitivity to the changes in China and the world and was convinced of the need for more room for manoeuvring and for some greater leverage with the Chinese without compromising India's interests or abandoning her existing friendships. The visit of the Chinese Foreign Minister Huang Hua in June, 1981 set a procedure for the beginning of a dialogue between the

two countries, after which five rounds of talks were held between Beijing and New Delhi during Mrs. Gandhi's tenure. However, Sino-Indian relations remained uneasy because there was a parallelism in the U.S. and Chinese interests in containing Soviet attempts at extending its area of influence in Afghanistan. India, being perceived as a supporter of the Soviet movement into Afghanistan, was being targeted by applying pressures to reduce the Soviet-Indian strategic equations and also political and technological cooperation.

By the time Mrs. Gandhi returned to power, there had been a qualitative change in Indo-Pak relations between because of the military dictatorship under Gen. Zia-ul-Haq in Pakistan and Soviet intervention in Afghanistan. This led to the restoration of military ties between the U.S.A. and Pakistan in September, 1981. Mrs. Gandhi took certain measures to establish ongoing links with Pakistan. She deputed former foreign Minister Mr. Swaran Singh as a special envoy to Pakistan to discuss all aspects of Indo-Pakistan relations. A series of high level visits were exchanged between the two countries at the Foreign Ministers and the Foreign Secretaries level. During the Non-Aligned

Summit in New Delhi in 1983, Mrs. Gandhi had a bilateral meeting with President Zia-ul-Haq of Pakistan. India and Pakistan exchanged drafts of a non aggression and a no-war pact. The former suggestions was from Pakistan and the latter from India. However, these efforts became cosmetic exercises, mainly because Pakistan helped subversive activities against India during this period and also, progressively assumed a threatening military posture against India. Pakistan, also, accelerated its nuclear weapons programme and started projecting the Kashmir issue in a more assertive manner. President Zia wanted to avenge the defeat of the 1971 war by the secession of either Punjab or Jammu and Kashmir. All this led to a gradual deterioration in Indo-Pak relations.

The ethnic tension in Sri Lanka resulted in Mrs. Gandhi initiating a process which involved exerting pressure on the Sri Lankan Government to resolve the issue while, at the same time she extended political and material support to the Sri Lankan Tamils. The latter went against India's own policy of non interference in the internal affairs of other

countries, but she did it due to the immense pressure of Tamils in India to do so.

Taking note of the emerging transitions in the international situation, namely, the success of the ASEAN and the growing importance of the countries of the Gulf in strategic terms, and in the spheres of energy and hydrocarbons, Mrs. Gandhi took the initiative in establishing high level contacts with the leaders of these regions. Mrs. Gandhi visited the ASEAN group and the countries of the Gulf in order to initiate new arrangements for expanded cooperation between India and these countries.

As chairman of the Non-Aligned Movement between March 1983 to October, 1984, she gave stronger thrust to the work of the movement. She was a strong and fearless leader and the countries of the movement knew that in her they had a unique champion for the causes of the poor masses of the world. She took keen interest in areas such as disarmament and development on the one hand and the regional problems on the other. However, her attempts to end the Iran-Iraq war turned out to be a futile exercise.



Taking Mrs. Gandhi's both tenures as a whole, the most important aspect of her foreign policy was the determination to maintain India's independent decision making capability and to keep asserting India's place in the international community. While Pt. Nehru had articulated India's national interests in high flown phrases of world peace and cooperation, Mrs. Gandhi stressed security, territory and prestige as integral parts of national interest. The style of Mrs. Gandhi combined the modernizing ideas of her father, but without his Hamlet like hesitancy; her decisiveness in practice, her skill in crisis management was more reminiscent of Mr. Sardar Patel—tough, realistic, not given to gratuitous explanations and justifications, though without his touch of Hindu chauvinism. She was more concerned with the concrete than the moral side of foreign relations.

Mrs. Indira Gandhi's contributions to India's foreign policy were shaped by her heritage and her individual personality. In a difficult international environment, she chose a pragmatic path, using her inside knowledge of politics and her sense of practical to pull her country out of the doldrums in which it

founded. Under her tenure, India's search for power was not an unlimited search for power, as a down to earth realist, she preferred to set goals which were not too far beyond the grasp of her.

#### RAJIV GANDHI GOVERNMENT

Rajiv Gandhi was propelled to the apex of the Indian power structure suddenly, against the traumatic background of his mother, Mrs. Indira Gandhi's tragic assassination on 31st October, 1984. Though he had no direct experience of governance or of conducting foreign policy, he had spent an intensive four year period of apprenticeship under his mother. The sudden death of Mrs. Gandhi had raised many questions, not just about the country's stability, but about India's role in world affairs in the new situation. The void was filled by Mr. Rajiv Gandhi, who gave close attention to international affairs. In the battle between change and continuity, less change and more continuity remained the hallmark of India's functioning in the world.

The first priority of Mr. Rajiv Gandhi was to re-adjust India's relations with the two superpowers,

the U.S. and the U.S.S.R., in the context of the emerging undercurrents in their inter relationship. This resulted in a desire on his part to go in for a more open and expanded relationship with the U.S.A. visited the U.S.A. in June, 1985 Mr. Rajiv Gandhi/. Though he was accorded the honour of addressing the joint session of the U.S. Congress, a privilege which was not accorded even to Mrs. Gandhi, and Vice President Mr. George Bush was in personal attendance to him during his trips to other parts of the U.S.A., the hope that the beginnings made by Mr. Gandhi's visit would result in across-the-board expansion of Indo-U.S. relations in the following years was not fulfilled. Perhaps, both sides were somewhat over expecting from each other. A review of the substance of bilateral relations with the U.S.A. during this period shows that the complexes and suspicions harboured by the U.S. about India's links with the Soviet Union and about India's relations with Pakistan remained an influential factor in Washington's attitudes towards India. The extensive military assistance being given to Pakistan by the U.S. with the primary objective of pushing the Soviet Union out of

Afghanistan ran contrary to Washington's willingness to have a closer relationship with India. India's somewhat ambivalent stand on Afghanistan, its support for the Sandanista Government in Nicaragua and its good relations with the pro-Vietnamese Heng Samrin government in Cambodia generated antagonisms in the U.S. Congress and the official establishment. With the passage of time, Mr. Rajiv Gandhi as well as the Government of India's desire for expanded bilateral relations with the U.S. cooled off.

Readjusting New Delhi's relations with Moscow in the context of changing Soviet policies towards the United States of America and China, and dealing with strategic and security issues was a major foreign policy challenge tackled by Mr. Rajiv Gandhi. Indo-Soviet politics and strategic equations were undergoing a change, moving away from the Cold War factors which earlier influenced them. There were factors which forced India to maintain substantive relations with the Soviet Union. First, maintaining a political equation was necessary to counterbalance any difficulties that India might encounter with China,

Pakistan or the U.S. Secondly, India was dependent on the Soviet Union for many inputs, especially in the hi-technology and defence sector. Thirdly, Indo-Soviet trade and economic relations were very important from India's point of view. Mr. Rajiv Gandhi and Mr. Gorbachev exchanged four visits between 1985 and 1989. The Delhi Declaration of 1986 elucidated the future terms of reference of Indo-Soviet Cooperation in various spheres. This cooperation maintained its momentum till Mr. Gorbachev remained in effective control. However, the Soviet support for India's specific stance on the nuclear Non-proliferation treaty and on sensitive issues, such as Kashmir underwent a shift in the context of Mr. Gorbachev's desire to establish positive equations with the United States and other western democracies.

Mr. Rajiv Gandhi made the path breaking visit to China in December 1988 which was the first visit of an Indian Prime Minister to China after a gap of more than a quarter century. The most important decision taken during this trip was to establish a Joint Working Group to be led by the Deputy Chinese Foreign

Minister and the Indian Foreign Secretary to discuss issues related to the Sino-Indian boundary dispute and to prepare the ground work for resolving it. It was also agreed that bilateral relations - economic, scientific, cultural and technological should be revived and expanded. This was a major development in Sino-Indian relations. Mr. Gandhi's visit was remarkably successful, and he established a rapport with the Chinese leaders, and for the first time in more than three decades India and China exchanged views on world issues.

The most sensitive exercise in foreign relations undertaken by Mr. Rajiv Gandhi was his mediatory effort to resolve Sri Lanka's ethnic crisis. His assessment was that while Indian mediatory efforts were necessary and useful for their success, New Delhi must assume a more impartial stand between the Sinhalese and the Tamils, reducing the pro-Tamil slant in India's approach. While the Indian government persuaded the Sri Lankan Tamils to move from their extremist demand for a separate Tamil state and to give up violence and terrorism, the Sri Lankan

Government decided to launch a massive offensive in Jaffna in January, 1987. This led the Indian Government to follow a changed policy which involved firm opposition to Sri Lankan government's military operations against Tamils, to apply more direct political pressure upon President Jayawardene to implement the devolution package finalised in 1985-86 and if India succeeded in these then it would persuade Tamils to come back to the negotiating table. The constant pressure on the Sri Lankan Government led to the finalisation of Indo-Sri Lankan Agreement of July, 1987. In order to implement the accord, New Delhi agreed to send an Indian Peace Keeping force (IPKF) to supervise the ceasefire, the surrender of arms and the peace arrangements in the Tamil areas in the North and the East. The accord went awry for three principal reasons. The most immediate was the desertion by the LTTE after having given its consent. The second reason was the campaign of murder and terror launched by the JVM, the Sinhalese extremist organisation. The third factor why the accord came to grief was the unremitting hostility of some of President Jayawardene's successors and, therefore, their unwillingness or inability to

implement the provisions about devolution of authority to the Tamil areas. Whatever, judgement may be passed about Mr. Gandhi's Sri Lanka policies, the logic of his objectives, his deep commitment to India's national interests and regional peace inherent in his policies, at that point of time cannot be questioned.

Moving on to the other neighbours, it was a basically assertive Pakistan, poised for military and diplomatic success, that Mr. Rajiv Gandhi had to deal with. Prime Minister Rajiv Gandhi 's response to the Siachen issue was to strengthen India's military control over the area. His response to Pakistan's nuclear programme and to Pakistani presumptions about protecting minorities in India was firm and measured, without polemics or political pyrotechnics. His overall approach was to encourage interaction where possible . Regarding Nepal, relations with that country went through a bad phase during the second half of Mr. Rajiv Gandhi's tenure. The king of Nepal resented the general support being given by India to the leaders of the Democratic Movement in his country. There were suggestions for the revision of the Indo-Nepal Treaty of 1950. Complaints were voiced about India not



providing adequate transit facilities for Nepal's trade, despite the latter being a land locked country. The culmination of the crisis was that India became strict about trade and transit facilities being extended to Nepal, and the latter angrily protested against India's decision which it viewed as a pressure tactic. India's relations with all the countries of the South Asian region had become uneasy and critical during the last phase of the Rajiv Gandhi era.

Rajiv Gandhi took two major initiatives in the sphere of disarmament and non-proliferation, one in 1985-86 and the other in 1988. The first initiative pertained to the six nation conference on disarmament. He also presented an action plan for a nuclear free, non-violent world order which Mr. Rajiv Gandhi proposed at the Special Session on Disarmament of the United Nations General Assembly in June 1988. The action plan called upon the international community to negotiate and finalise a binding agreement, which was to be total and without reservations, to bring about general and complete disarmament which sought the complete elimination of all nuclear weapons in stages by the year 2010. Mr. Rajiv Gandhi extended full

support to the Non-Aligned Movement and the struggle against apartheid in South Africa. It was his initiative which resulted in the creation of the Group of 15 countries of the Non-Aligned Movement for encouraging South - South cooperation and for carrying out dialogue with industrially advanced countries.

Rajiv Gandhi's era , though short in comparison to her mother, left a strong imprint on India's foreign policy. Though he became a victim of Indo-Sri Lanka accord, he definitely left behind an impressive record.

#### V.P. SINGH GOVERNMENT

The main foreign policy issues faced by the V.P. Singh Government were :- (i) adjusting to the evolving political uncertainties in the Soviet Union and coping with the consequent drift in economic and defence cooperation with that country; (ii) dealing with Pakistan in the context of the qualitatively increased Pak - sponsored militancy in the state of Jammu and Kashmir; (iii) tackling the ethnic Sri Lanka crisis.

This Government dealt with the Soviet Union during this critical phase with a distinct lack of imagination regarding the evolving ground realities

which resulted in India being out of touch with the new forces which were to dominate Russian affairs. This Government succumbed to the pressure of the Premadasa Government and ordered the withdrawal of the IPKF (Indian Peace Keeping Force), taking the stand of non interference in South Asian affairs. This Government was successful in solving the complex trade and transit problems with Nepal. The year 1990 saw heightened tension with Pakistan because of its involvement in reviving terrorism in Jammu and Kashmir. The result was a break down in Indo-Pakistan relations.

India's reaction to the crisis in the Gulf due to Iraq's invasion of Kuwait was ambiguous and confused. Instead of dealing with the situation with cool rationality, the V.P. Singh Government reacted with apprehension and appeasement. India assumed a spuriously neutral stance without acknowledging that Iraq had invaded a fellow member of the Non-Aligned Movement. India's credibility at the United Nations and in the Non - Aligned Movement as well as amongst the Arab and Gulf countries suffered grievously due to the policy stand that it adopted on the Iraqi invasion of Kuwait.

Overall , the V.P.Singh Government did not distinguish itself in the area of foreign policy. Mr. V.P. Singh was inexperienced to handle international affairs, therefore the mantle fell on Mr. I.K. Gujral, the Foreign Minister, who had experience in diplomacy and international affairs.

#### CHANDRA SHEKHAR REGIME

Mr. Chandra Shekhar's stint as Prime Minister was too short to make any definitive impact on Indian foreign policy. But, it has to be admitted that he brought precision in the orientation of, and purposiveness in defining the objectives of, India's foreign policy during his tenure. His approach to foreign relations, while underpinned by an ideological commitment to the basic Nehruvian terms of reference, was tempered by sound realism.

During the brief tenure of this Government, high level political contact was restored between India and Pakistan. The positive personal chemistry between the two Prime Ministers, however, did not translate itself into policies leading to a change in the adversarial relations between India and Pakistan. The only other

issue of importance which Prime Minister Chandra Shekhar dealt with was the Gulf war. He eliminated the ambiguities in India's overall political stance on specific issues related to this war. He firmly declared that India opposed the invasion of one non-aligned country by another. India joined the international community's call for Iraq to vacate Kuwait. India, also, allowed refuelling facilities for American aircraft proceeding to the Gulf to participate in the war, which later became a matter of controversy.

After the general elections of May-June 1991, which saw the tragic assassination of Mr. Rajiv Gandhi the minority Government of Congress led by Mr. Narasimha Rao came to power under difficult external and internal circumstances.

# Chapter-II

INDIA AND THE MAJOR POWERS

INDO - U.S. RELATIONS

Washington's bilateral ties with New Delhi had traditionally been complicated by the Anglo-American concerns as well as by the U.S.-Soviet competition,, and the Indo-Pakistani rivalry. The end of the cold war, for the first time, led to expectations that bilateral relations, freed from their historic shibboleths, would flourish. It generated new hopes about a fresh start in the Indo-U.S. ties, for it implied that both countries could now talk to each other honestly, without the stereotypes and suspicions of the past.

An analysis of the U.S.A's posture and its policy objectives which crystallised after momentous events such as the disintegration of the Soviet Union, the end of the cold war and the victory of the U.S. and its allies in the Gulf War would be in order to understand the trends in the Indo-U.S. relations in the initial years of the Narasimha Rao Government. After the end of the cold war, the U.S.A. had acquired a sense of assertive self confidence that it had become the foremost political and military power in the international community. The U.S. felt that this self

confidence would enable it to implement its agenda for developing a new world order, wherein the U.S. interests would be safeguarded unchallenged. The U.S. wished to structure international arrangements which would ensure the long term U.S. military superiority over all other countries. It wanted to structure an international economic order in which access for the U.S. exports to markets all over the world would be secured and maximised. The achievement of the aforementioned objectives necessarily required a stable and conflict free world. To fulfil it the U.S. decided, apart from consolidating its own role in this regard, to use a more proactive U.N. According to the U.S. perceptions, India, after losing its international leverage with the disappearance of the Soviet Union, should be encouraged to develop new patterns of political, economic and defence relationship with the U.S. and the West, within the framework of the overarching objectives of the U.S. global policies. Therefore, the U.S.A. felt that India should be persuaded, cajoled and, where necessary, pressurised to fall in line with the U.S. stipulations and objectives in regard to non-proliferation and regional security



arrangements.<sup>1</sup>

Prime Minister Mr. Narasimha Rao, on assumption of power, adopted a 'new look' policy approach, which contained the following elements :

- i) It was acknowledged that India, having lost the leverage of its relationship with the Soviet Union, should develop positive equations with new power centres in the world, out of which the United States was the most important one.
- ii) While not compromising on India's fundamental interests, the endeavour was to develop a bilateral equation with the U.S. aimed at expanding economic and technological relations and defence cooperation to the extent feasible.
- iii) On issues such as non proliferation, human rights, new international trading arrangements and management of the environment, on which basic differences of opinion existed between India and the U.S., a practical approach was to be adopted to gradually identify areas of agreement and then build up a mutually beneficial relationship.

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1. J.N.Dixit, My South Block Years : Memoirs of a Foreign Secretary, New Delhi, 1996, p. 175.

- iv) India should expand its contacts beyond the executive branch of the U.S. government, in other words, contacts should be established with other entities such as the U.S. legislature, the U.S. business community and U.S. public opinion in order to explain India's policies and concerns. The overall approach was to be practical and non-confrontationist while, at the same time, remaining firm on those matters of vital interest to India, about which difference of views existed.
- v) There was also the objective of persuading the U.S., to the extent possible, to influence Pakistan to give up its hostile and subversive policies against India.
- vi) The non-resident Indian community in the U.S.A. should be cultivated to meet the aforementioned objective.<sup>1</sup>

Prime Minister Narasimha Rao had a meeting with President George Bush of the U.S.A. at New York during the summit meeting of the members of the U.N. Security

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1. J.N.Dixit, op. cit., pp. 177-178.

Council on 31st January, 1992.<sup>1</sup> Though Prime Minister Rao had gone prepared for a wide ranging exchange of views with President Bush on all aspects of Indo-U.S. relations, Mr. Bush seemed to have only a one-point agenda for the discussion.<sup>2</sup> He wanted India to agree to the U.S. views on nuclear non-proliferation, and arms control and reduction. Prime Minister Mr. Narasimha Rao however, ensured a more broad-based discussion on the possibilities of the Indo-U.S. economic, political and technological cooperation. Mr. George Bush was positive in his responses, specially acknowledging the relevance of the economic reforms that Mr. Rao had initiated towards improving the Indo-U.S. relations.

On the issue of non-proliferation, Prime Minister Mr. Narasimha Rao took a firm stand. He told President George Bush that India would not sign the Non-Proliferation Treaty (NPT) because of its discriminatory contents.<sup>3</sup> At the same time, he stressed the Indian commitment to use its nuclear capacities for

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1. Annual Report, Ministry of External Affairs, New Delhi, 1991-92, p. 45.
  2. J.N. Dixit, op. cit., p. 75.
  3. Ibid, p. 76.

peaceful purposes. He referred to the serious and substantive proposals made by India towards non-proliferation and disarmament during the special General Assembly session of 1988 and suggested that the U.S.A. seriously examine the Indian suggestions, particularly since that country was already engaged in a gradual reduction in the deployment of strategic missiles, and nuclear weapons. When President Bush reemphasized the U.S. anxiety regarding proliferation of nuclear weapons in Asia and mentioned the possibilities of some states like Iraq acquiring nuclear weapons capacity. Mr. Narasimha Rao replied, that non-proliferation could not be discussed in geopolitical compartments, applying different criteria to different regions of the world.<sup>1</sup>

The concrete result of these discussions was an agreement to the effect, that first India and the U.S. would engage in official discussions on non-proliferation and disarmament issues. Secondly, both countries would initiate official level

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1. J.N. Dixit, op. cit., p. 76.

discussions across the board to further economic, commercial, defence and technological cooperation. It was agreed that this process should commence within a month to six weeks from January 1992.<sup>1</sup>

Prior to this meeting of Prime Minister Narasimha Rao with President George Bush, U.S. Senator Mr. Patrick Moynihan had a meeting with the Indian Prime Minister on 4th January, 1992 in which he had handed over a letter from President Bush to Prime Minister Rao.<sup>2</sup> In that letter, President Bush, referring to the momentous changes which the world had witnessed in 1991, had suggested that these changes should inspire the two great democracies, the U.S.A. and India, to work together and deepen their bilateral ties.

Following this, important visits were made by Senator Larry Pressler, and General Johonen Corus of the U.S. Army, and Admiral Frank Kelso, Chief of Operations of the U.S. Navy, in mid January, 1992.<sup>3</sup>

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1. J.N. Dixit, *op. cit.*, p. 76.
  2. Foreign Affairs Record, Volume XXXVIII, No. 1, New Delhi, 1992, p. 7.
  3. J.N. Dixit, *op. cit.*, p. 186.

Senator Pressler's mission was aimed at two main objectives : the first was to assure India that he would remain firm about the restrictions being placed, on the basis of his ammendment, on Pakistan getting arms from the U.S. and, secondly, to urge India to fall in line with the non-proliferation agenda of the United States which , in his view, would contribute to a qualitative expansion of Indo-U.S. relations.<sup>1</sup>

Senator Pressler was informed that India is committed to Nuclear Non Proliferation as an imperative norm; what India objects to is the discriminatory aspects of nuclear non proliferation. The External Affairs Minister also briefed the Senator on India's track record on not acquiring nuclear weapons inspite of its proven technological capacities in that direction.<sup>2</sup>

Though he gave a patient hearing, Mr. Pressler remained convinced that India was being unreasonable in insisting that it should keep its nuclear weapons option open and he felt that India's opposing U.S. objectives in this regard could have a fall out on Indo-U.S. relations.<sup>3</sup>

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1. J.N.Dixit, op.cit., p.186.

2. Foreign Affairs Record, Volume XXXVIII, No.1, 1992, p. 14.

3. J.N. Dixit, op.cit., p. 186.

General Corus and Admiral Kelso had come to India to assess the security environment in the subcontinent and also to discuss details of defence cooperation between the two countries. Their visit resulted in drawing up a time table for further bilateral visits by the senior officials of the armed forces of both countries. However, they were both disappointed and, simultaneously, concerned about India's defence postures vis-a-vis Pakistan and about the firmness of the Indian stand on Kashmir and non-proliferation.<sup>1</sup>

As per the decision arrived at the Bush-Rao meeting in New York to commence the process of official level discussion to increase cooperation between the two countries, the Indian Foreign Secretary visited Washington from 9 to 11 March, 1992. He had a full schedule of substantive discussions with the U.S. authorities including Lawrence Eagleburger, the then acting Secretary of State, Mr. Arnold Kanter, Under Secretary of State for Political Affairs in the State Department, with Assistant Secretaries of State dealing

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1. J.N. Dixit, op.cit., p. 187.

with different regions or subjects such as Near East and Asia, policy planning, disarmament, international security affairs, international organisations, drugs control and human rights issues, with the U.S. Trade Representative Ms. Carla Hills, the National Security Advisor, Mr. Brent Scowcroft and Under Secretary of the Department of Defence, Mr. Paul Wolfowitz.<sup>1</sup>

Mr. Lawrence Eagleburger made one single point after completing an exhaustive and analytical exchange of views on the Indo-U.S. relations as they had evolved since Mr. Narsimha Rao's coming into power. He asserted : "Putting aside nuances and semantics about issues on which India and the U.S.A. disagree, it is time now to adopt a practical approach. Our joint effort should be to adopt a problem solving orientation in policies towards each other. Scoring points and old attitudes of irrelevant confrontation should be abandoned. Both sides should predicate developing bilateral relations on positive lines while clearly acknowledging that there are some issues on which fundamental differences will remain constant between the U.S. and India."<sup>2</sup> The

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1. J.N. Dixit, op. cit., p. 178.

2. Ibid, p. 173.



Indian Foreign Secretary replied that as far as the U.S. did not overinterpret or misinterpret India's differences of opinion with that country on basic issues such as nuclear non-proliferation, transfer of technology and intellectual property rights, and as far as U.S. policies did not negatively affect India's national security in all its dimensions, India would be willing to adopt the practical approach which he had suggested.<sup>1</sup>

The State Department officials indicated that the main concerns of the U.S.A. regarding India in particular, and the South Asian region in general, related to (i) ensuring regional nuclear non-proliferation, (2) persuading India and Pakistan to cap their nuclear technological capacities, as they existed at that time, and (3) abjuring further experiments and tests to increase their respective capacities. The objective of persuading India and Pakistan to stop production of fissile material, and to place their nuclear facilities and fissile stockpiles under the full protection of IAEA's safeguards were

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1. J.N. Dixit, op. cit., p. 173.

emphasized. U.S. representatives also advocated similar views regarding India's space and missile development programmes. It was during these exchange of views that the Americans gave the first signal that they would be holding talks with the Russians regarding the latter's pulling back from programmes of Indo-Russian cooperation in the sphere of space technology which were agreed upon when the Gorbachov regime was in power in the Soviet Union.<sup>1</sup> The U.S. wished to initiate international negotiations for agreements on a Comprehensive Test Ban Treaty (CTBT) and for controlling and eliminating fissile material. These concerns constituted the U.S.'s first priority.

The remaining concerns articulated to the Indian Foreign Secretary related to the U.S. anxiety about the simmering controversy and conflict situation in Kashmir. While underlining the fact that they did not desire to mediate or interfere, the U.S. authorities voiced serious apprehensions about the Indo-Pak standoff on Kashmir degenerating into war. There was a suggestion

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1. J.N. Dixit, op. cit., p.179.

from the U.S. side that the U.S. government would be willing to assist in evolving a political solution to the Kashmir tangle through "proximity talks", i.e. by acting as a conduit for an exchange of suggestions which might be put forward by both sides.<sup>1</sup> They, also, clearly indicated that in their view, regardless of the constitutional and legal validity of the Indian stance on Kashmir, the state remained a political dispute and that Pakistani claims could not be ignored altogether, specially in the context of India having itself brought it to the U.N. Their view was that both sides should move away from their static negotiating positions to adopt a flexible approach in order to achieve a compromise. The U.S. side, also, expressed the view that the Kashmir imbroglio made South Asia a very conflict prone area; this was an area of high strategic interest to the U.S. They also felt that India should be more transparent about the situation in Kashmir and should pay more attention to maintaining high standards of human rights as India was a democracy.

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1. J.N. Dixit, op. cit., p. 179.

There were discussions, also, on more intricate aspects of the Indo-U.S. relations relating to technological cooperation in the specialised spheres of space exploration and defence. While the U.S. delegation members acknowledged the emerging positive trends and the increasing trust that characterised the Indo-U.S. relations, their approach to the specialised spheres was cautious. The impression gathered by the Indian Foreign Secretary was that the U.S.A. would be more forthcoming in increasing cooperation with India in these spheres subject to India falling in line with the U.S. perceptions on non-proliferation and disarmament.<sup>1</sup> The U.S. officials, however, generally welcomed the liberalisation of the Indian economy as well as the restructuring and reforms that the Narasimha Rao Government had undertaken. They expressed the view that India would receive a positive response both from the U.S. Government and the U.S. business community in the economic sphere. The Indian side assured their U.S. counterparts of their willingness to cooperate with them for controlling drug

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1. J.N. Dixit, op. cit., p. 180.

smuggling and to counter narco-terrorism. However, when the Indian side mentioned instances of Pakistan fostered infiltration and terrorism in Kashmir, the State Department asked for detailed and concrete proof which was promised to be sent to them after the visit was over.<sup>1</sup>

The response of the Indian Foreign Secretary, to the points of concern mentioned by his U.S. counterparts, was that neither the U.S. nor Pakistan should expect India to compromise on its unity and territorial integrity.<sup>2</sup> As far as issues related to Kashmir were concerned, he underscored the point that any practical compromise had to necessarily take into account the realities on the ground and tremendous changes which had occurred since 1947. He stressed the fact that it would be futile for Pakistan or the U.S. to pressurise India to go back in time and start discussing the Kashmir issue in the pre-partition context. He further emphasized that even in that particular context India's stance would remain valid.

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1. J.N. Dixit, *op. cit.*, p. 180.

2. *Ibid*, p. 180.

He also informed that India will not sign the NPT regardless of the pressures exerted on her. He told them that whereas India was committed to non-proliferation and disarmament without any reservations, she would, under no circumstances, agree to piecemeal interim arrangements which discriminated against developing countries and, more importantly, which negated India's strategic and security interests. He told them that the same logic applied to India's views on developing space and missile technology.

The Indian delegation pointed out that, after the end of the Cold War, India was willing to diversify, and also to expand economic, technological, cultural and educational relations with the U.S.<sup>1</sup> Previous constraints and inhibitions affecting attitudes and policies of both countries had become irrelevant and that, in India's view, both countries should take as much advantage of this phenomenon as possible for mutual benefit.

In response to the queries about India's objections to the five power conference aimed at

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1. J.N. Dixit, op. cit., p. 181.

bringing about nuclear non-proliferation in South Asia, the Indian Foreign Secretary told them that this suggestion was impractical for the following reasons.<sup>1</sup> First, the proposed agenda desired only India and Pakistan to undertake non-proliferation obligations, whereas China, Russia and the U.S.A. would assume a patronising security guarantor's role without accepting any non-proliferation obligations themselves. Secondly, given the strategic nuclear environment around India after the end of the cold war, her threat perceptions clearly required her to keep the nuclear option open. Thirdly, even if one set aside considerations of subcontinental strategic interests, just India and Pakistan undertaking nuclear obligations was not just enough. When nuclear weapons were involved, it was not just the geographical location of such weapons which could be deployed against India that was important but also their range and capacity to destroy. If such a conference were to be held at all, it should include all nuclear weapon countries as well as those capable of producing nuclear weapons, especially in the Asian region.

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1. J.N. Dixit, op. cit., p. 181.

The purpose of Indian Foreign Secretary's discussions with Ms Carla Hills, the U.S. Special Trade Representative, was, basically, to find out how serious the U.S. was about keeping the Damocles' sword of Super 301 penalties hanging over India's head. Madam Hills was a tough and no-nonsense negotiator. While welcoming the radical steps that India had taken to liberalise its economy, she went on to say, "unless India meets U.S. concerns regarding trade related intellectual property rights, and other U.S. concerns in the ongoing Uruguay round of negotiations, U.S. will have to keep Super 301 as a punitive option against countries which negatively affect U.S. commercial and economic interests."<sup>1</sup> The Indian foreign Secretary, Mr J.N. Dixit, told her that the political rationale of India's stand on these issues was based on the requirements of Indian public, the economic constraints which affected the Indian market and Indian public perceptions about economic disadvantages which India may have to suffer if it conformed to U.S. requirements. He expressed the apprehension that the very processes

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1. J.N.Dixit, op. cit., p. 182.



of economic reforms and liberalisation in India could get stymied if the U.S. assumed a confrontationalist, all or nothing, posture vis-a-vis India, in economic and technological matters.<sup>1</sup>

The Under Secretary of Defence Mr. Paul Wolfowitz in his talk with the Indian Foreign Secretary emphasized that the Defence Department was fully supportive of the new beginning in cooperation in the field of defence between India and the U.S.A. He expressed the hope that there would be an increase in the exchange of visits and training programmes as also in joint exercises and joint reviews of the security environment in Asia, between India and the U.S. While talking about the need for greater transparency in defence matters between India and the U.S.A. and about increased cooperation in the above mentioned spheres, he did not mention any interest on the part of the U.S. to assist India in the spheres of defence technology and equipment.<sup>2</sup> The U.S. National Security Advisor Mr. Brent Scowcroft stressed that the end of the Cold War provided an opportunity

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1. J.N. Dixit, op. cit., p. 183.

2. Ibid, p. 184.

for India and the U.S. to structure a new relationship and new equations to ensure stability and durable peace in the Asian region and that India, as an influential power and the most stable democracy in the Asian region, had an important role to play in contributing to the stability and economic development of Asia, and added that the U.S. would be supportive of India's efforts in this direction.<sup>1</sup>

The Indian Foreign Secretary was instructed to immediately take up the negative references to India in a Pentagon paper wherein it was mentioned that "we (U.S.A.) should discourage Indian hegemonic aspirations over the other states in South Asia and on the Indian Ocean."<sup>2</sup> He was informed that this document was a draft paper prepared by middle level Pentagon Officials and was subject to review and modification.<sup>3</sup>

Immediately after this visit, a shift in the American position on Kashmir was discernible. During

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1. J.N. Dixit, op. cit., p. 183.

2. Foreign Affairs Record, Volume XXXVIII No.3, New Delhi, 1992, p. 140.

3. Ibid., p. 140.

hearings held by the Subcommittee on Asia and Pacific Affairs of the House Committee on Foreign Relations in March, 1991, Ms. Teresita Scheffer, Deputy Secretary of State, stated that the U.N. resolutions requiring a plebiscite in Kashmir, which the United States had strongly supported in the past, were no longer tenable and it now favoured bilateral negotiations to solve the problem within the framework of the Simla Agreement of 1972.<sup>1</sup>

Following Lt. Gen. Claude Kicklighter's proposals, joint Indo-U.S. naval exercises were held off the Western seaboard on 29th May, 1992, for the first time.<sup>2</sup> Four warships, two from each side, participated in the 24 hour exercises. This was preceded by the visit of the Defence Minister, Mr. Sharad Pawar, to the U.S.A. from 5 to 9 April 1992.<sup>3</sup> The prospects of military cooperation had, earlier, received a further boost with the visit of the Commander-in-Chief of the U.S. Pacific Command in 1991 and the visit of Commanding General of the U.S. Army in

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1. B.K. Srivastava, Indo-American Relations : Search For a New Equation, International Studies Volume 30, No.2, New Delhi, 1993, P.221.
  2. Annual Report . . . Ministry of External Affairs, New Delhi, 1992-93, p. 78.

the Pacific and Chief of naval command in January, 1992.<sup>1</sup>

The United States of America welcomed the recent economic liberalisation measures taken by the Narasimha Rao Government. The U.S. encouraged this process and supported India's request for loans in multilateral financial institutions. U.S. companies accounted for nearly 30 per cent of all Indian joint ventures with foreign companies, as investment from the U.S. increased from Rs. 344.8 million in 1990 to Rs. 1858 million in 1991 and by 31st October 1992 touched Rs. '10073' million.<sup>2</sup> The U.S. remained India's largest trading partner as well as the biggest foreign investor in India. However, the issue of protection of Intellectual Property Rights continued to remain a major trade related irritant in bilateral ties during Bush-Rao years. High level consultations narrowed the gap on copyrights, trademarks and access to U.S. motion pictures, but differences continued to persist on patents, especially in relation to food, time, pharmaceuticals and chemicals. On 29 April, 1992, the

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1. Chintamani Mahapatra, Indo-US Relations into the 21st Century, in Agenda for the 21st Century (ed.), Volume 2, New Delhi, 1998, p. 319.
  2. Annual Report . . . , Ministry of External Affairs, New Delhi, 1992-93, p.73.

U.S. withdrew GSP concessions on specified imports of drugs and chemicals from India as a retaliatory measure.<sup>1</sup> India was also redesignated as a priority foreign country under the Special 301 provisions. India expressed her disappointment and regret on this unilateral move since these issues were under discussion at the Uruguay Round of the GATT multilateral trade negotiations.

High technology transfers from the U.S. had emerged as an important facet of bilateral interaction during the Bush regime. The Cray XMP-14 Supercomputer at the National Centre for Medium Range Weather Forecasting in New Delhi was upgraded to Cray XMP-216 under a bilateral agreement.<sup>2</sup> However, due to increased proliferation concerns heightened by the Gulf war, the US had, of late been more stringent in releasing dual-use high -technology items, including spare parts. Negotiations for a second Supercomputer for the Indian Institute of Science, Bangalore, did not fructify because of the U.S. insistence on intrusive and

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1. Annual Report '92-93, Ministry of External Affairs, New Delhi, 1992-93, p. 73.

2. Ibid., p. 77.

restrictive security and end use conditions. The U.S. attitude adversely affected a number of Indian programmes, particularly in the Department of Space.

On 11th May, 1992, the U.S. imposed a two year ban on American trade and technology transfers with ISRO and Glavkosmos of Russia over a deal for the supply of cryogenic rocket engines which the U.S. regarded as being violative of the Missile Technology Control Regime (MTCR)<sup>1</sup>. The specific steps announced were : a two year ban on all American exports to ISRO; a two year ban on all American imports from ISRO; and a two year ban on ISRO from receiving any U.S. government contract.<sup>2</sup> The same steps were to apply to Glavkosmos, as well. According to U.S. State Department's deputy spokesperson Mr. Richard Boucher, this step was a punitive one against the Indian and Russian space research and technology organisations for their refusal to cancel a deal by which the Russians would have transferred advanced cryogenic rocket engine technology to the Indian body; as the U.S., under MTCR, was

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1. Annual Report, Ministry of External Affairs, New Delhi, 1992-93, p. 77.
  2. Asian Recorder, volum XXXVIII, No 25, 1992, P. 22367.

obliged to take punitive steps if it felt that any action by a country will assist missiles proliferation in the world.<sup>1</sup> India expressed serious concern and disappointment to U.S. over Washington's decision to black list the Indian Space Research Organisation (ISRO). The concern was all the greater as the sanctions against ISRO followed the retaliatory measures against India on the trade front - withdrawal of the preferential excise duty on chemicals imported and the decision to keep India on the hit list for further action under Special 301. The Foreign Secretary of India, Mr. J.N. Dixit told the deputy chief of the U.S. mission, Mr. Kenneth Brill, that unilateral steps like the sanctions needed to be avoided at a time when the Indo-U.S. relations had taken a positive turn.<sup>2</sup> The U.S. decision marked a complete turnaround by the country which had supported India's space adventure from day one. United States Congressmen and non official disarmament experts adopted a tougher stand on nuclear and missile proliferation than that of the Bush administration and it was their pressure which was one of the factors which compelled the Bush administration to blacklist

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1. Asian Recorder, Volume XXXVIII, No. 25, <sup>1992</sup> P. 22367.
  2. Ibid, p. 22367.

the ISRO.<sup>1</sup> What was galling was that India had approached the U.S. suppliers first for these cryogenic engines. They had quoted a very high price for the product along with the rider that they would send only the engines and they would not provide the relevant designs and drawings nor would they transfer the technology for manufacturing the engines later on in India.<sup>2</sup> India, then, contacted France, which quoted a very high price and agreed to a limited transfer of the technology related to the engines and then, India contacted Russia and signed a contract with them who specified a reasonable price and gave an undertaking for the full transfer of the technology as well as designs and drawings.<sup>3</sup> The French deal fell through because the US had pressurised Paris not to supply the engines along with technology and later, as a result of the disintegration of the Soviet Union, Russia was also subjected to the same pressure.

The U.S. applied further restrictions, when the U.S. Department of Commerce amended Export Administration Regulations by notifying a list of

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1. Asian Recorder, Volume XXXVIII, No. 25, <sup>1992,</sup> P. 22368
  2. L.N. Dixit, My South Block Years : Memoirs of Foreign Secretary, New Delhi, 1996, p. 194.
  3. Ibid, p. 194.



countries to which no American Company can export any product without license if it has reason to believe that the product would be used for missile design, development, production and use.<sup>1</sup> The list included India and specifically mentioned the Agni and Prithvi projects and the SLV, ASLV, PSLV and GSLV programmes. India conveyed her concern to the U.S. to name her civilian space programme in the notification as it had no connection with her missile programme. This U.S. policy of linking technology transfers to non-proliferation objectives was a negative trend in the bilateral ties.

Another irritant in Indo-U.S. relations during the Bush regime was the issue of human rights. Pakistan supported Kashmiri groups and proponents of 'Khalistan' had joined hands and had employed professional lobbyists to intensify their propaganda campaign against India in the U.S. As a result of this lobbying, the one sided reports by international organizations, like Amnesty International and Asia Watch, focussed attention on alleged violation of human

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1. Annual Report, Ministry of External Affairs, New Delhi, 1992-93, p. 77.

rights in Kashmir and Punjab by India's security forces. The Indian External Affairs Ministry pointed out to the Bush administration that their one sided concentration on alleged violations of human rights by Indian security forces did not show a balanced approach.<sup>1</sup> The Indian Government stressed that terrorism and violence perpetrated by the militants on the population of Jammu and Kashmir with Pakistani support, could be an equally, if not a more, dangerous phenomenon violative of human rights. The officials of Bush administration wanted concrete evidence from the Indian side.<sup>2</sup> When the team of Indian officials presented the relevant evidence to the U.S. State department and the U.S. Department of Justice, the U.S. State department publicly indicated that the U.S. was likely to put Pakistan on the list of states encouraging terrorism.<sup>3</sup> But the real reason for this decision was the U.S. wishing to pressurise Pakistan to pull back from its nuclear weapons and missile acquisition programmes from China.<sup>4</sup>

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1. U.N. Dixit, op. cit., p. 190.

2. Ibid, p. 190.

3. Ibid, pp. 190-191.

4. Ibid, p. 191.

The Indo-U.S. relations improved during Bush-Rao years. The end of the Cold War provided both the countries with an opportunity for the intensification in the pace of exchanges between them and greater political appreciation of each other's perspectives, important differences in the positions of the two countries, notwithstanding. The mutual interest of Washington and New Delhi in counteracting the threat of Islamic fundamentalism also formed a common ground for coming closer to each other. The Indo-U.S. relations exhibited positive trends towards the end of 1992. Visits of senior representatives from Indian Defence and Commerce Ministries to the U.S.A. during 1992, including those of the Finance Minister, Dr. Manmohan Singh, ensured that India was not subjected to any major economic or commercial pressures by the U.S.<sup>1</sup>

Mr. Clinton's election as President of the U.S.A. generated expectations that Indo-U.S. relations would take an even more positive turn. Such expectations were based on a general myth that Indo-U.S. relations gained in content and also became endowed with a more

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1. J.N. Dixit, op. cit., p. 189.

supportive attitude on the part of the U.S., whenever a Democrat became the President of the U.S.A. This prediction was based on the historical memory about President Franklin Roosevelt pressurising Mr Winston Churchill to give up the Indian empire than on actual facts relating to the track record of Democratic Administration of the U.S.A., because if one carefully analysed trends in the Indo-U.S. relations during the regimes of Mr Harry Truman, Mr John F. Kennedy, Mr Lyndon Johnson & Mr Jimmy Carter, the positive impetus given by these Administrations to the Indo-U.S. relations was more cosmetic than substantive, barring the Kennedy regime coming to India's prompt rescue in the aftermath of the 1962 Sino-Indian war.<sup>1</sup> But, President Clinton's first priority was obviously the U.S. domestic economy. In foreign policy matters his attention was focussed on Russia and Eastern Europe. As far as Asia was concerned, only China and Japan were considered worthwhile because of tangible U.S. economic interests being involved in relations with these two countries. In general, issues such as non proliferation, Kashmir

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1. J.N. Dixit, op. cit., p. 190.

along with human rights and problems related to narcotics smuggling were three chief concerns of the Clinton Administration in relation to South Asia.

The first important decision on Asia taken by the Clinton Administration, in March 1993, was to create a separate Bureau for South Asian Affairs in the State Department with an Assistant Secretary of State in charge. Mr. Clinton chose Ms. Robin Raphael as his first Assistant Secretary of State. She gave an extraordinarily sensitive response on the issue of Kashmir. After stating that in U.S. policies and perceptions Jammu and Kashmir remained a disputed area, she went on to elaborate that the U.S. did not consider the Instrument of Accession signed by the Maharaja of Kashmir in October, 1947, making Jammu and Kashmir a part of India, politically or legally valid.<sup>1</sup> Her questioning the legitimacy of Kashmir's accession to the Indian Union made a serious negative impact on the Indo-U.S. relations. The U.S. authorities realised, that Ms. Raphael had provoked an unnecessary controversy, but in their clarifications the State Department as well as the U.S.

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1. J.N. Dixit, op. cit., p. 193.

embassy in New Delhi, Ms. Raphael's statement was not disowned.<sup>1</sup> It has to be acknowledged that the substance of her statement accurately reflected the U.S. policies and attitudes since India took the Jammu and Kashmir issue to the U.N. The fall out of the foregoing brouhaha was across the board questioning of India's attempts to develop new and positive equations with the U.S.

However, while the political and technological aspects of the Indo-U.S. relations were characterised by negative trends, economic relations expanded gradually. Despite recurring doubts about the capacity of the Government of India to ensure continuity in its economic reforms and liberalisation programmes, contacts between India's economic ministries and their U.S. counterparts, backed by discussions between representatives of the private sector in both countries, ensured smooth flow of investment, trade and transfer of certain categories of non-sensitive technology. But differences remained with respect to the approaches to achieve non-proliferation persisted.

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1. J.N. Dixit, op. cit., p. 193.

While the U.S. sought universal and indefinite extension of the NPT, India maintained its traditional long standing position that NPT was discriminatory in character and the issue of non proliferation could be addressed through measures which are comprehensive, universal, non - discriminatory and verifiable. The U.S.A. reconciled itself reluctantly to India's obstinacy regarding the NPT & moved on to other methods to push Indians towards subregional non-proliferation such as capping of technology and cutting off further production and processing of fissile material. However, India resisted this pressure, insisting on non-discrimination and, simultaneously, stressing the irrelevance of a partial regional approach to non-proliferation. India insisted on reciprocity among all nuclear weapons capable, and nuclear weapon powers about capping technological capacities and cutting off production of fissile material. There were a number of demarches from the U.S. ambassador in New Delhi, Mr. Thomas Pickering, and from the U.S. State Department about not deploying 'Prithvi' missile, and

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insisting that India should not carry out further tests of its intermediate range ballistic missile, Agni.<sup>1</sup> Simultaneously, there were increased reservations on the part of the U.S. to supply various categories of sophisticated technology including supercomputers to India. These elements of the U.S. policies towards India became more operational and assertive after Clinton's assumption of power. The Democratic Administration behaved as expected with greater vehemence on issues such as human rights, non-proliferation, environment management and restrictions of transfer of what the U.S. called "dual use technology" to India.

Taking note of the downward slide in the Indo-U.S. relations, Ambassador Siddhartha Shanker Ray recommended that India should engage a lobbying firm which was accepted by the Ministry of External Affairs of India.<sup>2</sup> He also created a bipartisan Congressional caucus for India which was expected to highlight India's interests and concerns in the regional context and also to ensure that Indo-U.S. relations remained on

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1. J.N. Dixit, op. cit. p. 196.

2. J.N. Dixit, op. cit., pp. 194-195.



an even keel . This caucus served a useful purpose.

The first high level contact with the Clinton Administration was initiated by the Foreign Secretary's visit to Washington for bilateral consultations from 25 to 27 August, 1993, at the invitation of his counterpart, the U.S. Under Secretary of State for Political Affairs.<sup>1</sup> Responding to the assessments by India about the more recent trends in the Indo-U.S. relations, Mr Anthony Lake, the National Security Advisor to President Clinton, frankly pointed out that both India and the U.S.A. were moving towards a more positive pattern of relations, however, some basic differences remained between the two countries on ~~important~~ aspects of subjects such as international security , disarmament and non-proliferation.<sup>2</sup> In response to the query by the Indian Foreign Secretary about Mr Robin Raphael questioning the accession of Jammu and Kashmir to India, the U.S. authorities clearly told him that Washington did not view the issue in constitutional and legal terms but in terms of existing ground realities and that the sole interest of the U.S.

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1. Annual Report, Ministry of External Affairs, New Delhi 1993-94, p. 69.

2. J.N. Dixit, N., op. cit., p. 199.

was to ensure that the Kashmir imbroglio did not degenerate into a subcontinental war.<sup>1</sup> The overall impression that the Foreign Secretary of India carried back from his visit was that the U.S. did not consider India as a major factor in its Asian policies. The U.S.'s interests in India were geared towards its own specific economic concerns, or they were governed by the regulatory and crisis management factor.<sup>2</sup> The U.S. policy orientations conveyed to him were as follows:<sup>3</sup>

1. India should remain committed to economic liberalisation and privatisation to ensure that Indo-U.S. economic relations expand in a manner in which the U.S. interests would be manifestly ensured along with India's interests but the latter only to the extent possible.
2. The U.S. was interested in the Indian market as well as in investment opportunities in India within the framework of its domestic economic compulsions and priorities.
3. The U.S. considers Kashmir a disputed area which could trigger off an Indo-Pakistan conflict,

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1. J.N. Dixit, op.cit., p. 199.

2. Ibid, p. 200

3. Ibid, pp. 200-201.

even a nuclear war. Therefore, the U.S. would do everything possible to prevent such a conflict. The U.S. felt that India, as the largest country in South Asia, should show a greater spirit of compromise on such issues.

4. The U.S. would remain insistent on India undertaking tangible steps to ensure nuclear non-proliferation in the South Asian region. The U.S.A. would, therefore, like India, to abide by the new regulatory regimes being enforced to govern nuclear missile and space technology.
5. More specifically, the U.S. would like India to cap its nuclear technology and testing programmes, cut its production of fissile material and place the nuclear facilities under comprehensive safeguards, and monitoring arrangements.
6. The U.S. also insisted that India pull back from its missile development and testing programmes, apart from refraining from deploying missiles as part of its weapons systems.

7. The U.S. would remain restrictive with regard to the transfer of technology and technological cooperation, not because it had any specific anxieties about India but because it could not make exceptions in its global stance on this issue.
8. The U.S. realised that India will not sign the nuclear non-proliferation treaty. The U.S., however, expected that India will not stand in the way of indefinite extension of the NPT.
9. The U.S. was willing to continue expert level bilateral talks on non-proliferation with India in the hope that they would lead to some initial steps towards regional non-proliferation in South Asia.

Bilateral relations continued to be vitiated over the issue of alleged human rights violations by Indian security forces in Kashmir and Punjab due to the anti-Indian propaganda and lobbying by "Khalistan" and pro-Pakistan Kashmiri groups. President Clinton's letters of 27 December, 1993 to the anti Indian

Kashmiri American Council and to Congressman Gary Condit on the Punjab issue are cases in point.<sup>1</sup> The U.S. President's formulations came in the wake of a series of negative pronouncements by U.S. officials on issues such as Kashmir, human rights and Punjab. The Indian Government had reiterated that India's commitment to human rights and democracy was axiomatic to India's existence and no external prescriptions would be accepted in this regard. The Government also conveyed that such official pronouncements by the U.S. Government, including at the highest level, cannot but have a negative impact on Indo-U.S. bilateral relations. On the contrary, the Government of India expressed the hope that the U.S., as another democracy, would make more positive moves in the context of bilateral relations.

Fundamental differences notwithstanding, the Government accorded high priority to the improvement of relations with the U.S. Government and pursued a policy of dialogue to promote, in a substantive manner, areas of mutual benefit such as trade and investment while

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1. Annual Report , Ministry of External Affairs,  
New Delhi, 1993-94 , p. 71.

persisting with the on-going efforts to narrow down existing differences of perception over the issue of human rights, non proliferation and trade practices.

In this background, Ms Robin Raphael came on her first visit to India in February 1994 which was described as aiming to remove "some misunderstanding and work to place the Indo-U.S. relations on a sound footing."<sup>1</sup> This was followed by the visit of Mr. Strobe Talbott, Deputy Secretary of State, from 6th to 10th April, 1994.<sup>2</sup> Meanwhile, there was an invitation to Mr. P. V. Narasimha Rao to visit the U.S.A. This visit was basically to reassure the Indian P.M. that no embarrassing questions would be raised at his proposed meeting with President Clinton. The informed Americans saw the Indian P.M.'s visit to U.S. as one to help both countries to remove their blinkers: for India to stop viewing the United States through conspiratorial spectacles and for Washington to take off the blinders that have stopped it from seeing India as the like minded giant it is. The bilateral relations had touched such a low level, that the opposition parties

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1. Krishan D. Mathur and J. M. Kamath, Conduct of India's Foreign Policy, New Delhi, 1996, p.154.
  2. Ibid, p. 154.

in Parliament asked Prime Minister Rao to call off the proposed visit; but in another sense, the relations could not further worsen; hence any outcome was to be a success.

The Indian Prime Minister P.V. Narasimha Rao visited the U.S.A. from 14th to 20th May, 1994. Mr. Rao had set for himself three tasks. First to talk to American business leaders to invest in India, second, to speak to American public through his address to Congress and third, hold a working session with President Clinton.<sup>1</sup>

In his meeting with business leaders in New York and Houston, he was able to generate interest among American Chief Executive Officers to invest in India, and a number of companies expressed their keen interest in investing in India. In his speech at the luncheon hosted by Greater Houston Partnership, Houston, on 16th May, 1994, Prime Minister Rao said, "India has several strengths that attract and justify capital

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1. Krishan D. Mathur and P.M. Kamath, Conduct of India's Foreign Policy, New Delhi, 1996, p. 154.

investment. It is a huge market. It has the world's third largest pool of technical manpower, with a capacity to absorb any technology, however sophisticated. It has several other relative advantages. By investing in our economy, benefits would accrue to us as well as to the American industry."<sup>1</sup> He was also able to establish an 'India Interest Group' - a group of business magnates to act as a pressure group in favour of India.<sup>2</sup> This included Chief Executive Officers of major American multinational companies like General Electric, AT & T, Coca Cola, Ford and IBM.

On 18th May 1994, in his address to the U.S. Congress, which was allegedly poorly attended, the Indian Prime Minister was forceful in presenting the case of India as the single largest free market in the world. He said, "The impact of the changes in India has had a profound effect on Indo-U.S. economic relations and has benefitted both the countries. American firms have been in the forefront of forging a new economic relationship. India's vast domestic market, huge educated, skilled and semi skilled work force, sound

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1. P.V. Narasimha Rao, Selected Speeches, Volume III, New Delhi, 1993-94, p. 468.
  2. Krishan D. Mathur and K.B.M. Kamath, Conduct of India's Foreign Policy, New Delhi, P. 154.



financial institutions and time tested and democratic system offer tremendous investment opportunities for forward looking companies..... In shaping our history for the next century, we must look ahead to greater trade between nations."<sup>1</sup> He also said that India and the U.S. have worked closely together in helping to forge and establish an international consensus for banning nuclear weapons testing and halting production of fissile materials for nuclear weapons purposes.<sup>2</sup> He also called for a nuclear "no first use" agreement in the short term, while serious multilateral negotiations are launched for nuclear disarmament.<sup>3</sup>

Prime Minister Narasimha Rao and President Clinton promised to cooperate in the search for solutions to global challenges posed by weapons of mass destruction, AIDS, environmental degradation, population growth, poverty, international terrorism, and narcotics trafficking.<sup>4</sup> An Agreement was also reached to expand the pace and scope of high level

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1. P.V.Narasimha Rao, Selected Speeches, Volume III, New Delhi, 1993-94, p. 482.
  2. Ibid, p. 484.
  3. Ibid, p. 484.
  4. Annual Report, Ministry of External Affairs, New Delhi, 1994-95, p. 72.

exchanges on the full range of political , economic, commercial, scientific, technological and social issues.<sup>1</sup> The two leaders agreed to seek ways to expand their cooperation at the United Nations . Two memoranda of understanding were signed, during Prime Minister's visit to the U.S., on Cooperative Measures to Increase Awareness and Support for Efforts to Combat Production, Distribution and Use of Illegal Drugs and on Planning, Conservation and Management of Natural and Cultural Heritage Sites.<sup>2</sup>

As regards human rights, the Indian Prime Minister said, "India is committed to protecting its citizens from terrorism and no government worth its name can shirk this responsibility. We are taking scrupulous care to protect the rights of individuals under due process of law and punish human rights violations wherever they occur. In this difficult and delicate task, we are doing all that is humanly possible."<sup>3</sup>

At a joint press conference after an hour long meeting between Prime Minister Rao and President

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1. Annual Report, Ministry of External Affairs, New Delhi, 1994-95 , p.72.
  2. Ibid, p. 72.
  3. P.V.Narasimha Rao, Selected Speeches, Volume III, New Delhi, 1993-94 , p. 485.

Clinton, the U.S. President said that their differences remained as before but they had decided not to allow them to come in the way of their relations.<sup>1</sup> Prime Minister Rao, on his part, denied any kind of armtwisting by the President during their meeting.<sup>2</sup> Mr. Clinton said that the U.S. had no intentions of putting pressure on India, especially in areas involving its national security. It wanted to promote nuclear non-proliferation by enhancing the security of the concerned country and not by diminishing it. On the Kashmir issue, Mr. Clinton said, "We have evidence that private parties are aiding and abetting militancy in the valley", however, he said, "ultimately, it is for India and Pakistan to sort out the Kashmir problem through dialogue."<sup>3</sup> The President said that the U.S. hoped to forge a "close relationship and strong partnership."<sup>4</sup> He said that India and the U.S. had agreed to make common efforts to curb weapons of mass destruction and check production of fissile material.<sup>5</sup>

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1. Asian Recorder, Volume XXXX, 1994, p. 24018.
  2. Ibid., p. 24018.
  3. Ibid, p. 24018.
  4. Ibid, p. 24018.
  5. Ibid, p. 24019.

Admitting differences on several issues , he said, "two nations are friends but it does not mean that they agree on everything."<sup>1</sup> Prime Minister Narasimha Rao said, he and President Clinton had agreed to remove the distortion introduced in the Indo-U.S. relations during the Gold War.<sup>2</sup>

Among several issues on which there were differences, one was the issue of missiles development programme of India. Immediately after the return of Prime Minister Rao, the United States of America issued a veiled warning to New Delhi about the consequences of its planned deployment of the missiles. Appearing before the Senate Foreign Relations Committee on May 24, 1994, the U.S. Ambassador-designate (to India at that time) Frank S. Wisner said : "the Prithvi has not been deployed and we would hope that India would consider very carefully the wisdom of that deployment."<sup>3</sup> Wisner said that the Prithvi "would represent an increase in the deployment systems for weapons whether they are

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1. Asian Recorder, Volume XXXX, 1994, p. 24019.
  2. Ibid, p. 24019.
  3. Ibid, p. 24033.

conventional or else,"therefore," Washington argues in a very reasoned manner with our Indian friends that they consider what the consequences would be if Prithvi were deployed.<sup>1</sup>" After a postponement of few days, the Army of India, on June 6, completed the preliminary " user trial" of the short range surface to surface missile Prithvi with the second successful test firing within a span of 48 hours.<sup>2</sup> In a cautious response to the testing of the Prithvi missile, the Clinton administration refused to call it a "defiance " of U.S., it, however, reiterated its opposition to the development of ballistic missiles in South Asia, and said it does not, as a matter of "standing policy", license the export of materials and technology to India that could be used in the Prithvi programme.<sup>3</sup> A spokesperson of the State Department restated the American belief that the "acquisition of ballistic missile delivery systems by India or Pakistan would be destabilising and thereby undermine the security of both."<sup>4</sup>

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1. Asian Recorder, Volume XXXX, <sup>1994</sup> p. 24033.
  2. Ibid, p. 24055.
  3. Ibid, p. 24065
  4. Ibid, p. 24065.

During the course of Prime Minister Narasimha Rao's visit to the U.S.A. , both countries had agreed to increase their high level exchanges to promote bilateral relations. Keeping with this decision, the U.S. Energy Secretary, Ms. Hazel O' Leary visited India from 8 to 15th July, 1994 leading a large Presidential Mission comprising officials and representatives of U.S. companies in the energy sector.<sup>1</sup> Four joint statements were signed and eleven cooperative projects between private companies of the two countries were announced. Minister of Power, Shri N.K.P. Salve visited U.S.A. from 12 to 19 November, 1994.<sup>2</sup> This was followed by the visit of Minister of State for Non-Conventional Energy Sources, Shri S. Krishna Kumar to the U.S. from 17 to 22 December.<sup>3</sup> Several agreements and a number of memorandum of understanding for cooperation between both the countries were signed during these two visits.

The U.S. Commerce Department had identified India as among the first ten emerging markets. U.S.

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1. Annual Report, Ministry of External Affairs, New Delhi, 1994-95. ., p. 73.
  2. Ibid, p. 73.
  3. Ibid, p. 73.

Commerce Secretary Mr Ron Brown led a Presidential Business Development Mission, including 25 CEOs representing the sectors of energy, telecommunications, infrastructure and agro-based industries to India from 14 to 20 January, 1995.<sup>1</sup> During the visit, the two countries signed a Memorandum of Understanding setting up the Indo-U.S. Commercial Alliance. Contracts for business collaboration in the sectors of power, telecommunications and insurance signed in Delhi alone equalled over \$ 4 bn.<sup>2</sup> Secretary Brown held discussions with the Ministers of Commerce, Finance, Power and Telecommunications. He called on the Prime Minister and the Minister of State for External Affairs. Sectoral workshops were organised in cooperation with business organizations such as FICCI, ASSOCHAM and CII.

New Delhi and Washington signed an agreement, on January 12, 1995 on cooperation in defence production and research in newer areas.<sup>3</sup> The agreement for a "close

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1. Annual Report, Ministry of External Affairs, New Delhi, 1994-95, p. 73.
  2. Ibid, p. 73.
  3. Asian Recorder, volume XXXI, 1995, p. 24562.

military contact" was signed by U.S. Defence Secretary Mr. William J. Perry and Home Minister ~~Mr.~~ S.B. Chavan in New Delhi. Under the agreement, the two countries decided to set up a Joint Technical Group (JTG) comprising senior professionals in defence research and production to ensure consistency in cooperation in research and production. The draft agreement released after the meeting said that the two countries had also agreed to "progressively upgrade" inter services joint exercises and joint technical training programmes.<sup>1</sup> On services to services cooperation, the agreement said that the rapport established in 1990 between the Indian and U.S. Armies, Navies and Air Forces had been encouraging and had not only forged closer defence ties but also bolstered Indo-U.S. bilateral relations. However, the U.S. Defence Secretary ~~Mr.~~ William Perry ruled out inclusion of Pakistan in the terrorist list, citing evidence was not supportive to put Pakistan in that category.<sup>2</sup> One of the most significant aspects specified was that the Indo-U.S. defence cooperation "is designed to make a positive contribution to the

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1. Asian Recorder, Voluem XXXXI, p. 1995, p. 24562.

2. Ibid, p. 24562.



security and stability of Asia" and that such cooperation should also promote maintenance of international peace and security in the post Cold War world."<sup>1</sup> This broad formulation of strategic cooperation contained post - Cold War language and logic and its importance lied in the continuing American economic and security stakes in the Asia - Pacific region and India's renewed contact with this region through a policy of "Look-East". Two major factors from the American perspective come in the way of Indo-U.S. defence cooperation. One was the remnants of Cold War thinking quarters of the U.S. foreign policy-making circles. There were elements there who remained suspicious of Indo-Russian cooperation in the fields of science and technology and at the same time opposed any U.S. policy that appeared to be a punishment to Pakistan - a close Cold War ally. The second factor was the real or imagined proliferation concerns in the United States. And these two factors drew support from each other. It is important to note here that the agreed minutes of defence cooperation precluded any arms transfer arrangement and joint development of technologies between the two countries or transfer of

1. Chintamani Mahapatra, Indo-U.S. Relations into the 21st Century, Indian Foreign Policy : Agenda for the 21st Century, Vol.2, New Delhi, 1998, p.320

U.S. defence technology to India.

In May-June, 1995, Indian and the U.S. military units conducted joint exercises on land and at sea: U.S. special forces and Indian paracommandos held high altitude exercises in the Nahan hills about 150 miles north of Delhi, and five U.S. and six Indian ships and maritime aircraft took part in naval excersises, called Malabar II, off India's western coast in the Arabian Sea.<sup>1</sup>

The U.S. Congress approved Senator Hank Brown's amendment to the Foreign Operations Appropriations Bill which provides, inter alia, for a one time waiver of the Pressler Ammendment to enable the release to Pakistan of \$ 368 ~~million~~ worth of advanced U.S. military equipment, embargoed since October 1990<sup>2</sup> in Oct, 1995 India's serious concerns' in this regard, including the legitimacy that this would accord to Pakistan's clandestine acquisitions of nuclear weapons and missiles, .was. conveyed clearly to the U.S.

Administration and the Congress. The Brown package

1. Ramesh Thakur, India and the United States. A Triumph of Hope over Experience, Asian Survey, Volume XXXVI No. 6, June 1996, p.580.
2. V.K. Malhotra, The Clinton Administration & South Asia (1993-1997), New Delhi, 1997, p. 75.

offered Pakistan three PC-3 Orion naval surveillance planes worth \$ 140 mn., Harpoon anti-ship missiles with a range of 120 km and worth about \$ 31 mn, 24 M-198 Howitzers, 18-C Nite night vision modification kits, naval torpedo components; two launchers, F-16 engine kits, components and spaces, spares for all three armed forces and 4 AN/TPQ 36 artillery locating radars. in lieu of the 28 F-16 fighter aircrafts from the U.S. From India's point of view, the most worrying part of the new equipment ~~were~~ the three naval reconnaissance P-3C Orion aircrafts. The Orion would not of itself change the regional balance of power but it gave Pakistan the new capability of threatening India's off-shore installations, coastal targets, and ships at sea. The significance of the Brown ammendment was not only the arms sold to Pakistan, rather, the passage of the legislation was symbolic of the way the United States conducts policy with India. The manner in which the Brown ammendment was passed was also illustrative of the way in which <sup>the U.S.</sup> Congress deals with the South Asian

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1. V.K.Malhotra, The Clinton Administration and South Asia (1993-97), New Delhi, 1997, p. 76.

region. South Asia was once again dealt with in a residual fashion as part of a compromise amendment to a foreign operations bill and not as an independent issue area.<sup>1</sup>

The controversy caused by the Brown amendment caused outrage in India, worsened relations with the United States, and embarrassed Washington's friends in New Delhi. Parliamentarians from the left parties ridiculed the Rao Government for pursuing what they regarded as a misguided policy of cooperation with the United States. The deterioration in American - Indian relations was signalled by a speech Home Minister S.B. Chavan made in the Rajya Sabha on November 29, 1995.<sup>2</sup> According to him, the selling of arms to Pakistan was indicative of the "evil designs" the United States had on the subcontinent. His assertion that the United States was 'interested' in acquiring a "foot-hold" in Kashmir was endorsed by the BJP opposition leader.<sup>3</sup> Washington's ability to restrain India's nuclear programme was also a casualty of the watering down of

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1. Arthur G. Rubin off, Missed Opportunities and Contradictory Policies: Indo-American Relations in the Clinton - Rao Years, Pacific Affairs, F. 1996-97, p. 516.
  2. Arthur G. Rubinoff, op.cit., p. 516.
  3. Ibid, p. 516.

the Pressler Amendment. Politicians from across the political spectrum urged renewed acceleration of India's short range Prithvi and medium range Agni missile delivery systems, and the militant Hindu Bharatiya Janta Party, the principal opposition party, renewed its call for the nuclear option. As Foreign Minister Pranab Mukherjee decried, by selling arms to Pakistan, the United States was once again forcing India to divert scarce resources to the military sector.<sup>1</sup>

On the economic front, differences, however, remained on issues such as intellectual property rights, market access, etc. There was an asymmetrical economic relationship between the United States and India. While the United States was India's leading foreign investor and trading partner, accounting for 20% of India's exports, these transactions amounted to less than 1% of America's global trade and a negligible amount of U.S. foreign investment.<sup>2</sup>

The basic problem in India's exercise of developing new equations with the U.S. were based on excessive expectations and

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1. Arthur, G. Rubinoff, op.cit., p.516.
2. Annual Report, Ministry of External Affairs, New Delhi, 1995-96, p.

and inaccurate presumptions. The invalid presumptions of India were as follows:

- i) With the disintegration of the Soviet Union and the end of the Cold War, the U.S. would set aside its historical memories of events in South Asia and that it would be unreservedly responsive to Indian overtures.
- ii) The post Cold War changes in the international strategic environment would result in a convergence of India's and U.S.A.'s security interests in the Asian region.
- iii) The U.S. would be willing to accept India's political, technological and economic aspirations without any reservations in the transformed international scenario.

India's misplaced expectations were that :

- i) India's economic liberalisation and reforms would result in the U.S. being responsive to the Indian needs, regardless of the latter's own interests in the matter.
- ii) The disintegration of the Soviet Union and the U.S.A's positive equations with China would

diminish Pakistan's importance in the U.S. scheme of things.

iii) India would become a focus of positive U.S. attention proportionate to its diminishing strategic interest in Pakistan.

All these expectations were flawed because the terms of reference of the U.S. foreign policy had not changed in basics because the Cold War had ended. In fact, some of the terms of reference related to human rights & non-proliferation stood more consolidated and were expressed more assertively in the absence of any competing power capable of challenging the U.S. India's stance on issues such as the NPT, technology transfer, Kashmir, human rights and environment management had been opposed to orientations of U.S. policies. New Delhi's insistence on maintaining its autonomy with respect to foreign, political, defence and economic policies made India both an unmanageable and uncertain strategic partner in the eyes of the U.S., especially when compared to Pakistan. At the same time, Pakistan remained not only an important strategic ally to

safeguard U.S. interests in the Gulf, West Asia and Central Asia but also a factor which could counter India's influence, if the latter threatened U.S. interests in the South Asian region.

Despite some evidence of improvement in the military and economic spheres, anticipated better ties between Washington and New Delhi could not be realized.

#### INDO-RUSSIAN RELATIONS

The erstwhile U.S.S.R. was going through a phase of great domestic and political upheaval when the Narasimha Rao Government came to power in June, 1991. Neither the Janta Dal Government nor the Indian mission in Moscow had been able to assess the evolving situation in the U.S.S.R. accurately. Even the



Narasimha Rao government, during the first four months after coming to power, misperceived the emerging situation. The inaccuracy of Indian perceptions and shortcomings in Indian political judgements were manifested in the initial reactions to the failed allegedly anti Gorbachov coup of August 1991. The initial assessment sent by the Indian mission in Moscow to the then Foreign Secretary of India Mr Muchkund Dubey indicated that the coup would succeed and that conservative elements of the Communist Party of the Soviet Union would come to power again, and that this development would serve India's interests as the old close political and defence equations between India and the Soviet Union would be restored.<sup>1</sup> This led the Indian Prime Minister to comment somewhat prematurely on the coup Mr Rao declared something to the effect that the coup showed the dangers of undertaking restructuring and reforms in a hasty manner or in a hurry.<sup>2</sup> This implied criticism of Mr Gorbachov was valid in terms of ground realities, but not quite correct in terms of political prognosis. The fast paced events

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1. J.N. Dixit, *My South Block Years : Memoirs of a Foreign Secretary*, New Delhi, 1996, p. 209.

2. *Ibid*, p. 209.

such as the arrest of the coup leaders, the failure of the coup and the replacement of Mr Gorbachov by Mr. Yeltsin took the Indians by surprise. The assessment by the Indian mission in Moscow that Mr Gorbachov would continue despite ongoing political turmoil in the Soviet Union, resulted in the Government of India as well as the Indian mission not having any effective contacts with the emerging political forces and the new political leadership in the Soviet Union. India's responses to the emerging power centres in Russia were uncertain and a little confused.

Mr. Yeltsin, on the other hand, was keen to gain legitimacy for his regime. In the initial stages, therefore, he turned to India.<sup>1</sup> His assessment was that, given the extensive range of Indo-Soviet relations in every sphere, India would be responsive to his requirements. It was also clear by October 1991 that the Soviet Union would be fragmented, and the Russian Federation would emerge as the largest succeeding politico-strategic entity in the Eastern Europe. Prime Minister Rao, therefore, sent Foreign

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1. J.N. Dixit, op. cit., p. 209.

Minister Madhav Singh Solanki and Foreign Secretary Muchkund Dubey to Moscow to meet the Soviet leadership. In his talks with Mr. Solanki, Mr. Yeltsin desired India to be among the first countries to accord recognition to the Russian Federation.<sup>1</sup> Mr. Yeltsin also wanted to visit India by January 1992. Mr. Solanki assured Yeltsin, that India would accord recognition as soon as the Federation came to be established. Mr. Solanki's response to Mr. Yeltsin's suggestion for an urgent visit to New Delhi, however, was guarded as the Indian ambassador to Moscow Alfred Gonzalves and Foreign Secretary Muchkund Dubey urged caution for another few weeks.<sup>2</sup> Prime Minister Rao agreed with the advice given that Mr. Yeltsin should not be allowed to utilise his visit to India to gain legitimacy, particularly when Western powers were still playing footsie with Mr. Gorbachev.

However, seeing the impending break up of the Soviet Union, the then new Foreign Secretary, Mr. J.N. Dixit, advised Prime Minister Rao, to invite Mr. Yeltsin to come to India as soon as it was convenient to him.<sup>3</sup> Mr. Rao

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1. J.N. Dixit, op. cit., p. 210.

2. Ibid, p. 210.

3. Ibid, p. 210.

agreed to invite Mr. Yeltsin to come to India as soon as possible. But by then Mr. Yeltsin had received encouragement from, and even formal recognition, by a number of Western countries. He was also enmeshed in the final round of discussions which ultimately led to the dissolution of the Soviet Union, late in December 1991. The response from the Russians, to the Indian invitation to Mr. Yeltsin, was that he would now be able to come only at a later date.<sup>1</sup> Embryonic undercurrents of distance between the new Russian Federation and India became evident. However, this drift could not be allowed to go out of hand by India, because of her continuing dependence on Russia for a wide range of defence supplies, and the value and volume of her bilateral trade with that country.

Prime Minister Rao ordered an immediate assessment of the domestic situation in Russia and also of the new orientations in the Russian foreign policy, which would make an impact on India's interests and also on Indo-Russian relations.<sup>2</sup> Russia had declared itself the main successor state to the former Soviet

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1. J.N. Dixit, op. cit., p. 210.

2. Ibid, p. 210.

Union and was acknowledged as such. The overall political and strategic orientation of the Russian Federation was Eurocentric and pro-U.S.- Russia required large scale assistance from the West. Mr. Yeltsin was depending on the U.S. and West European support to consolidate his position within the Russian Federation. The working paper on Russia's foreign policy adopted towards the end of 1992 devoted disproportionate space to relations with the United States, asserting that the West was "fast regaining its economic strength and consolidating its predominant position."<sup>1</sup> It added that Russia would strive to achieve stable relations with the United States on the basis of a "strategic partnership" and in the long term perspective even a "union". In contrast the Third World was viewed as the Chief source of Conflicts in the future. The working paper called for a "pragmatic renewal" of ties with India based on "realistic possibilities and legitimate interests of both sides with an emphasis on economic stimuli". It also called for taking into due consideration India's stand on international problems, primarily on nuclear non proliferation, while

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1. Devendra Kaushik, India and Russia in the post Cold War Period.: Imperatives for Building a Strategic Relationship, in Indian Foreign Policy

developing military-technical ties. The Russians were also keen to emphasize their complete break from the ideological moorings of the former Communist regime of the Soviet Union. With the ideology being jettisoned, the new Russian foreign policy elite, in its attempts to carve out a new role for Russia found itself suffering from a priority cleavage, and was clearly pulled between a declining nostalgia for past relations with countries like India, and growing proclivity towards cultivating relations with the West.<sup>1</sup>

Mr. Kozyrov, the then Foreign Minister of Russia, and his team was of the opinion that there was no need to preserve the 'special relationship' with India, which existed in the Soviet era, based on the argument that a special relationship with India was likely to undermine Russia's interaction with other countries in South Asia, and more particularly Pakistan.<sup>2</sup> In fact, Russia's Deputy Foreign Minister Georgy Kunadze declared that having special relations with India might hurt Russia's relations

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1. Shashi Kant Jha, Indo-Russian Relations : In the Light of New Realities, in M.K.Rasgotra and V.D. Chopra (ed.), India's Relations with Russia and China : A New Phase, New Delhi, 1997, p.75.
2. R.R.Sharma, Indo-Russian Relations in the Emerging Context, in M.K. Rasgotra and V.D. Chopra, (ed), India's Relations with Russia and China : A New Phase, N.Delhi, 1997, p. 66.

with other countries in South Asia, particularly Pakistan.<sup>1</sup>

The most important ramification of the foregoing orientations in Russia's foreign policy with respect to Indo-Russian relations was that India's strategic importance diminished in the Russian scheme of things. This setback reflected a short and medium term reality which India had to acknowledge and adjust to. The disruption of the Russian economy and also of the Soviet defence industry had started affecting adversely Indo-Russian economic and defence cooperation. India's own economic liberalisation and reforms programmes and its setting up links with Western powers after the end of the Cold War contributed to creating some distances in Indo-Russian relations. The dependence of Russia on the U.S. had brought about changes in Russian stances on issues such as non-proliferation, human rights and the environment, and even on Kashmir. The Russian Federation Vice President, Mr. Alexander Rutskoi on a visit to Pakistan announced on December 20, 1991 a

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1. Devendra Kaushik, Commonwealth of States and India, International Studies, Volume, 30, Number 2, New Delhi, 1993, p. 240.

very significant change in his country's stand on Kashmir by saying that the right of self determination of the Kashmiri people should be decided under U.N. auspices, and in accordance with its resolutions.<sup>1</sup> Such changes affected Indian interests which created some differences of approach between Russia and India.

Despite this, Russia still remained a significant factor in India's foreign and economic relations as well as its defence preparedness. Both India and Russia acknowledged that Indo-Russian relations should be sustained and nurtured within the framework of new interstate equations which were being established by both countries, despite changed circumstances and new compulsions. The immediate and specific problems which had to be resolved after the coming up of the Russian federation were as follows:

- i) sustaining bilateral relations, in all spheres;
- ii) determining the time frame in which, and the exchange rate at which, India would repay the credits that the U.S.S.R./Russia had extended to India over the previous decades;

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1. Asian Recorder, Volume XXXVIII, 1992, p.22140.



- iii) ascertaining the manner in which India would allow Russia to utilise the rupee credit standing in the latter's favour in Indian financial institutions;
- iv) ensuring continuity in defence supplies from Russia as well as from other former Republics of the Soviet Union; and
- v) assessing the extent to which Soviet credit and technological inputs would continue to be available in the power and industrial sectors of the Indian economy.<sup>1</sup>

In order to determine the manner in which Indo-Russian relations were to be managed in the changed policy orientations of both countries, Prime Minister Rao sent a delegation of officials, under the leadership of the then Indian Foreign Secretary J.N. Dixit, to Russia which included Defence Secretary N.N. Vohra, Commerce Secretary A.V. Ganesan, Power Secretary R. Rajgopal and Additional Secretary (Ministry of Finance, Department of Economic Affairs) N. Velluri, besides Mr. Dixit.<sup>2</sup> The focus of attention during this

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1. J.N.Dixit, My South Block Years : Memoirs of a Foreign Secretary, New Delhi, 1996, p.212.

2. J.N.Dixit, op.cit, p. 212-213.

visit was on economic relations and defence. The most controversial discussions related to the exchange rate which should govern India's repayment of former Soviet loans and the facilities which Russia should continue to avail of in India in terms of repayment of credits.<sup>1</sup> Both these issues had to be resolved in the context of the rapid decline in the value of the rouble in relation to both the American dollar and the Indian rupee. The Russians wanted India to adhere to the old rate of foreign exchange conversion to which India could not agree on monetary, economic and political grounds. The then Russian Prime Minister emphasized that differences should be resolved with patience and on technical grounds rather than political grounds.<sup>2</sup> He said that regardless of Russia's requirements and demands, India and Russia should work out compromises. He underlined that 'despite' the changed international situation, Russia attached importance to its relations with India both in economic and political terms. He also assured that the Russian government would do whatever was possible to ensure the smooth flow of defence supplies and exports of vital commodities which

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1. J.N. Dixit, op. cit, p. 213.

2. Ibid, p.214.

India needed . The Indian delegation came back with the distinct impression that India's relations would go through an uncertain period. The collective assessment was that in the spheres of political relations and defence cooperation, Indo-Russian relations would diminish for a decade or so.<sup>1</sup>

To this assessment, Prime Minister Rao's reaction was pragmatic. Mr Rao observed that a certain reduction in the quantum of Indo-Russian relations as well as slowing down was inevitable in the context of political changes occurring in the Russian Federation and as a result of the uncertainties in that country which would continue for around the next ten years.<sup>1</sup> He emphasized that, despite the ground realities, the fact should be kept in mind that the Russian Federation, if it remain united, would continue to be a very important Euro-Asian power. Russia retained the potentiality of becoming a great power again given its economic resources, technology and defence capacities. He stressed that India must take a long term view and continue its endeavours to maximise Indo-Russian relations while sustaining them in the short term and

that patience along with political realism should govern Indian attitudes and policies towards Russia.<sup>1</sup>

To follow up the visit of the abovementioned Indian delegation to Moscow, the State Secretary of the Russian Federation, Mr. G.Burbulis, visited India in May, 1992.<sup>2</sup> As this visit did not result in solutions to the disputed issues between India and Russia, it was decided to have a full-fledged expert level meeting under the umbrella of the Indo-Russian Joint Commission and another agreement on trade and economic cooperation was signed during the visit.<sup>3</sup> Mr. Burbulis emphasized the continuance, albeit on a new basis, of the strategic character of Russia's relations with India.<sup>4</sup> In September, 1992, India's Defence Minister Sharad Pawar, after a meeting with Mr. Burbulis in Moscow, said : " We fully agreed on the commonality of our strategic perceptions and interests."<sup>5</sup> During his visit to Moscow, Mr. Pawar indicated that considerable

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1. J.N. Dixit, op. cit., p. 217.
  2. Annual Report, 1992-93, Ministry of External Affairs, New Delhi, p. 62.
  3. Ibid, p. 62.
  4. Devendra Kaushik, India and Russia in the Post Cold War Period: Imperatives for Building a Strategic Relationship, in Indian Foreign Policy: Agenda for the 21st Century (ed), N.Delhi, 1998, p. 293.
  5. Ibid, p. 293.

progress had been achieved during his talks with top Russian leaders. He said that before coming to Moscow he was worried that political problems within the Russian government may make it difficult for him to find solutions to a viable financial mechanism for purchasing military equipment, technology and spares, but now he could say that India would continue to remain the main and substantial buyer of Russian arms.<sup>1</sup> But the pro-government Russian daily Izvestia commented that "strong ambiguities remain within the Russian establishment over continuing the former Soviet geo-strategic relationship with India."<sup>2</sup>

President Yeltsin's visit to India in January 1993 largely succeeded in putting relations with India on a new long term basis. A new Treaty of Friendship and Cooperation was signed in place of the Treaty of Peace, Friendship and Cooperation of 1971. At his press conference in New Delhi, Mr. Yeltsin denied that change in the name of the treaty indicated any reduction in the importance of strategic security, pointing out that

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1. Asian Recorder, Volume XXXVIII, 1992, p. 22640.

2. Lalit Mansingh, (ed.), Indian Foreign Policy : Agenda For The 21st Century, Vol. 2, New Delhi, 1998, pp. 293-294.

Russia had signed an agreement on defence cooperation with India.<sup>1</sup> (Appendix - II) Russia, also, signed with India agreements on Cooperation between India - Russia on Combating Illicit Traffic in Narcotic Drugs and Psychotropic Substances, in the Field of Science and Technology, on Cultural and Scientific Cooperation, in the Field of Information, Inter-Governmental Protocol of Indo-Russian Consultations, and on Cooperation and Interaction between the Ministry of Home Affairs of the Republic of India and the Ministry of Security of the Russian Federation.<sup>2</sup> Mr Yeltsin also stated that the Intergovernmental Protocol of Indo-Russian Consultations might in fact be interpreted as meeting more or less the obligation contained in the 1971 treaty. However, it has to be said that the new Indo-Russian Treaty on Friendship and Cooperation and the Political Declaration on Interstate Relations, were different from those which governed Indo-Soviet relations, having omitted the defence and security clauses from these documents.<sup>3</sup> President Yeltsin declared unequivocal Russian support for "settlement in

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1. Press Release from the Embassy of the Russian Federation in India, Information Department, New Delhi, p.4.
  2. Foreign Affairs Record, Volume XXXIX, No.1, New Delhi, 1993, p.p18-30.
  3. J.N.Dixit, op.cit., p. 221.

Kashmir according to the Indian version."<sup>1</sup>

President Yeltsin told Prime Minister Rao that whatever the negative speculations about Russia's attitude towards India, the fact of the matter was that Russia attached the highest importance to its relations with India due to strategic as well as economic reasons.<sup>2</sup> Mr. Yeltsin maintained that there was a convergence of Indian and Russian interests in influencing political developments and interstate relations on the Asian land mass, and therefore substantive and close relations with India remained a significant objective of Russian foreign policy.<sup>3</sup>

However, Mr. Yeltsin also declared that Russia was pursuing deideologization 'in all spheres of life', including its foreign policy.<sup>4</sup> What Mr. Yeltsin probably meant was that Russia did not have any enemies, therefore it did not need the support of other states against them. The impact of de-ideologisation on Russia's attitude to India got illustrated in two

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1. Press Release from the Embassy of the Russian Federation in India, Information Department, New Delhi, p.3.
  2. J.N.Dixit, op.cit., p. 220.
  3. Ibid, p.220.
  4. Anita Inder Singh, "India's Relations with Russia and Central Asia," International Affairs Volume 71, No.1, January, 1995, p. 70.

ways. First Mr Yeltsin observed that whereas the special relationship between India and the U.S.S.R. had been motivated by the Soviet desire to use India as a counter weight against China and the United States, the new Indo-Russian relationship would be defined by the balance of power and common interests. Second, Russia and India renewed the Indo-Soviet treaty of 1971, but neither side offered the other military support against any third country.<sup>1</sup> Russia sought mutually advantageous relations with India.

One cannot but take note of the fact that the Russian President talked about an 'Asian tilt' in the foreign policy of Russia, and also spoke of a 'Russia-China-India axis' for building durable peace in Asia.<sup>2</sup>

Prime Minister Rao, welcoming President Yeltsin during the course of his visit, said : "...India and Russia, in the forefront of global change, look to a qualitatively new relationship. This qualitatively new

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1. Anita Inder Singh, "India's Relations with Russia and Central Asia", International Affairs, Volume 71, No.1, January, 1995, p. 70.
  2. R.R.Sharma, Indo-Russian Relations in the Emerging Context, in M.K.Rasgotra and V.D.Chopra (ed.) , Indian's relations with Russia and China: A New Phase , New Delhi, 1997, p. 68.



relationship is a celebration of democracy, a coming together of two great nations with a long history of tradition, a convergence of two forces whose economies are vast reservoirs of talent and opportunity. It is also a relationship that draws the best and most vibrant values from the older relationship to create a splendid edifice of goodwill, understanding and cooperation."<sup>1</sup>

The highlight of Mr. Yeltsin's visit was his address to the joint session of both Houses of Indian Parliament. He made an emotional -friendly speech, underlining the fact that disappearance of the Soviet Union was not going to erode the traditional friendship between the Russian Federation and India even by an iota and pledged Russia's full support to India on the Kashmir question, and also announced that his country would honour all its political, technological and economic obligation towards India.<sup>2</sup>

The vexed rupee - rouble parity issue for re-estimating the volume of past Soviet Credits was

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1. P.V. Narasimha Rao, Selected Speeches, Volume II, New Delhi, 1992-93, p. 438.
  2. J.N.Dixit, op.cit., p. 221.

resolved during this visit, thus removing a major irritant in the way of resumption of trade relations. The two sides agreed that 63 per cent of the debt would be repaid over the next twelve years at an interest rate of 2.4 per cent using the exchange rate of 1 rouble to 19.9 rupees, which existed on 1 January 1990.<sup>1</sup> This was expected to reduce India's debt by some 30 per cent, but Indian commentators criticised the Government for agreeing to this rate as the rupee was then worth 19 roubles in the exchange market. The remaining 37 per cent of the principal would be repaid over 45 years with no interest at the January 1992 exchange rate of 1 rouble for 3.1 rupees.<sup>2</sup> Repayment of this debt would be in Indian goods. The official level experts both in the Ministry of External Affairs and in the Finance Ministry were not very happy about the economic concessions granted to the Russians, as they felt that, given the limitations which Russia would remain subject to for nearly a decade, the concessions granted on political grounds would not bring any returns to India in a tangible time frame.<sup>3</sup> However, India's

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1. Anita Inder Singh, *India's relations with Russia and Central Asia*, International Affairs, Volume 71, No. 1, January, 1995, p. 75.
  2. *Ibid*, p.75-76.
  3. J.N. Dixit, *op.cit.*, p. 222.

decision was based on long term political considerations and on the desire to maintain a certain level of continuity in relations with Russia, which would ultimately serve Indian interests. The problem of supplies of military equipment and spares to India was also resolved during this visit.

Prime Minister Rao raised the question of the supply of cryogenic engines by Russia with Mr. Yeltsin in the light of reports which India had received about the U.S. advising Russia to resile from its obligations on this matter.<sup>1</sup> Mr. Yeltsin gave a categorical assurance to the Prime Minister that Russia would fulfil all its contracts and obligations regarding the supply of the cryogenic engines, and that the question of Russia succumbing to any external pressure did not arise.<sup>2</sup> However, Moscow was forced to renege partially on its obligations under U.S. pressure later. In January 1991, India had agreed to purchase Russian technology and equipment for its space programme, and Rs 700 mn was paid to Glavkosmos, the Russian space agency, in

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1. J.N. Dixit, op.cit., p. 221.
2. Ibid, p. 221.

January, 1992 as the first instalment of the purchase price.<sup>1</sup> The contract called for the first two engines to be designed and fabricated in Russia, the third and fourth in India. The four rockets would have formed part of the Geo-synchronous Satellite Launch Vehicle (GSLV) system. The United States exerted pressure for the Indo-Russian rocket deal to be cancelled. During his visit to New Delhi in May 1992, Russian State Secretary Mr. Burbulis had said that Russia was firmly committed to the deal in conformity with its obligations and with international norms.<sup>2</sup> If Moscow disregarded the U.S. warning, it risked the loss of \$ 4 bn worth of aid, and if it went back on the deal, it was to lose a profitable contract whose fulfilment would enable the acquisition of consumer goods from India.<sup>3</sup> Glavkosmos staff were emphatic that the engines could not be used for military purposes, and that in any case it would take about 90 days' preparation prior to launching, in their view, the U.S. goal was not to enhance international security but to protect its own space

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1. Ramesh Thakur, *The Politics and Economics of India's Foreign Policy*, New Delhi, 1994, p. 140.
  2. Ibid, pp. 140-141.
  3. Ibid, p. 141.

industry from international competition.<sup>1</sup> On 11 May 1992, Washington imposed trade sanctions on both Russia and India in punishment for alleged violations of the Missile Technology Control Regime (MTCR)<sup>2</sup>. Neither Russia nor India is a signatory of the MTCR. But while India was opposed to the regime, Russia had said that it will abide by it. But even Russia insisted that the sale of equipment and technology for the cryogenic rockets was fully consistent with the MTCR and that it was prepared to have neutral experts to verify this, while the United States was equally insistent that the technology was dual-use, capable of being diverted to military uses and therefore prohibited under the MTCR.<sup>3</sup> Mr. U.R. Rao, Chairman of the Indian Space Research Organisation had urged that the U.S. sanctions were motivated by commercial compulsions because the proximity of the Sriharikota rocket launching centre to the equator and India's generally low launch costs made it a potential threat in the multi-billion dollar space market.<sup>4</sup> He denied that the cryogenic rocket engines

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1. Ramesh Thakur, op. cit., p.141.
  2. Ibid, op.cit, p. 141.
  3. Ibid, p. 141.
  4. Ibid, p: 141.

could be utilized on missile systems. Russian officials accused Washington of imposing sanctions out of pique because of the California based General Dynamics bid for the same engine contract had been lost.<sup>1</sup> Though President Yeltsin assured his Indian hosts that 'there is no room for third party intervention in this agreement,' he was not able to keep his assurance. In June 1993, President Clinton reportedly warned Mr. Yeltsin that Russian companies could face economic sanctions unless they stopped exports of rocket technology to India.<sup>2</sup> On 16th July, 1993, Moscow finally announced capitulation to the intense U.S. pressure. The Russians decided that there would be no transfer of technology, while the rocket engines would be supplied.<sup>3</sup> In India's estimation, it construed a major sign of Russian's unreliability and susceptibility to outside pressures and loss of its international stature.

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1. Ramesh Thakur, op.cit., p. 142.

2. Anita Inder Singh, op.cit., p. 74.

3. Ramesh Thakur, op.cit. p. 143.

Indo-Russian relations went through a critical period in the second half of 1993. Russia's Eurocentric Foreign Minister Mr. Koziriev made a number of statements on non-proliferation, Kashmir and on India being of lesser importance in the Russian scheme of things compared to the Soviet period. His statements contradicted the assurances given to India by Mr. Yeltsin. Mr. Koziriev maintained that Russia was in total agreement with Western powers about nuclear non-proliferation and the extension of NPT, and as far as Kashmir was concerned, India should generally accept that it was a disputed area, and that some compromise should be bilaterally worked out with Pakistan.<sup>1</sup> The Russian Foreign Office was sending out signals that if the Kashmir issue came up in the United Nations Security Council, India should not expect Russia to veto any resolution as a matter of course to safeguard Indian interests, as was the case before. Mr. Koziriev also announced the Russian endorsement of the policies of discriminatory restrictive regimes on transfer of technology.<sup>2</sup>

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1. J.N.Dixit, op.cit., p. 223.

2. Ibid, p. 223.

However, as the Eurocentric drive in Russia's foreign policy started losing its momentum, she began to specifically emphasize its Asian connection and commitment. This assertion was made during Prime Minister P.V. Narasimha Rao's visit to Russia from 29 June to 2 July 1994. Beyond reciprocating the visit by President Yeltsin to India in January 1993, this visit ushered in a qualitatively new stage of Indo-Russian relations. The Moscow Declaration on the Protection of the Interests of Pluralist States (Appendix-IV), set out the post cold war challenges posed to the viability of large multi-ethnic, multilingual, multicultural and multi religious states by the forces of aggressive nationalism, religious and political extremism, terrorism and separatism and the need to combat these challenges through democracy, tolerance, secularism and the rule of law.<sup>1</sup> It is recognized as a unique document in international relations and has subsequently been circulated as a U.N. document at the joint

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1. Annual Report, Ministry of External Affairs, New Delhi, 1994-95, p. 57.



initiative of India and Russia. The Declaration on Further Development and Intensification of Bilateral Cooperation (Appendix-IV), underlined the broad identity of views of the two countries on important regional and international issues, and identified priority areas and directions of cooperation between the two countries.<sup>1</sup>

Prime Minister Rao's visit was a reaffirmation of the new relationship between the two countries based on material and mutual benefit. The special relationship of the past with the erstwhile Soviet Union was over without any regrets. While Russian President Boris Yeltsin's visit to New Delhi in January 1993 had charted the course for bilateral ties, Mr. Rao's trip helped to start a new chapter in bilateral relations, both on the political and economic fronts, ending the nagging three year old uncertainty over the post-Soviet era Russian policy.

The high principles intended to direct the overhauled relationship sprang from the two political documents.- The Moscow Declaration on the Protection of the Interests of Pluralistic States and the Declaration on the further Development and Intensification of

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1. Annual Report, Ministry of External Affairs, New Delhi, 1994-95, p. 57.

Cooperation between the Republic of India and the Russian Federation. The Moscow Declaration was an important step towards reviving closer ties between two old friends. In it, India and Russia not only supported each other's territorial integrity, but declared their resolve to guard themselves against attempts to redefine norms of self-determination and sovereignty at a time when both were facing armed insurgencies. The Declaration on Cooperation emphasized the determination of Indian and Russia to build on the positive legacy of bilateral relations between the two countries. It also sought to allay fears that military cooperation between them was directed against any third party.

Agreements and Protocols were signed on cooperation in tourism, environment, space, science and technology, standardisation and metallurgy.<sup>1</sup> The 1992 Agreement on defence credit was extended for a further period of two years and an agreement on setting up a joint venture in military aviation was signed.<sup>2</sup>

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1. Annual Report, Ministry of External Affairs, New Delhi, (1994-95); p. 57.
  2. Ibid, p. 57.

However, India and Russia's inability to resolve differences on the use of Indian debt repayments during the Prime Minister's visit underscored the central role that trade had come to play in relations between countries which otherwise saw eye to eye on a range of strategic issues. While differences existed on the question of the auction of the Indian Rupee funds, they were more of a perceptual nature than substantive, and did not detract from the achievements of Mr. Rao's visit in the areas of widening political understanding, deepening defence cooperation and arriving at a broad agreement to upgrade bilateral exchanges through joint ventures and private initiatives.

The visit of Home Minister, Shri S.B. Chavan gave a fresh impetus to bilateral cooperation, particularly in the areas such as in combating terrorism, organised crime and narcotics trafficking.<sup>1</sup>

The visit of the Russian Prime Minister Chernomyrdin in December 1994 went a long way in clearing the emerging doubts that Russia was making serious efforts to push up its arms exports and that it

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1. Annual Report, Ministry of External Affairs, New Delhi, 1994-95, p. 58.

preferred cash sales, which Pakistan was in a position to offer.<sup>1</sup> He categorically declared that Russia was neither supplying any military equipment to Pakistan, nor it intended to do so in future. This put an end to all speculations which spoke about Russia's interest in selling its sophisticated military hardware to Pakistan. Eight documents including agreements on promotion and mutual protection of investments, shipping, exploration and peaceful uses of outer space, implementation of the long term programme of defence cooperation upto the year 2000 and long term purchases of commodities in India for the period of 1995-97, were signed at the conclusion of the visit.<sup>2</sup>

With the replacement of Mr Koziriev by Mr Primakov as the Foreign Minister of Russia, Russia's foreign policy underwent a major face lift. The earlier tilt towards the U.S. gradually yielded place to diversification. There was an open effort to upgrade its relations with countries like India to a strategic level. During his visit to India in March 1996, Mr. Primakov stated that strengthening of relations with India was a "strategic

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1. R.R.Sharma, Indo-Russian Relations in the Emerging Context, in M.K.Rasgotra and V.D.Chopra (ed.), op.cit., p. 69.
  2. Annual Report, Ministry of External Affairs, New Delhi, 1994-95, p. 58.

goal" of his country's foreign policy.<sup>1</sup> He further said that Russia considered India a priority partner and the two countries hoped to enter the next century with the common aim of combating certain dangerous international trends - terrorism and discrimination against some countries. Russia rated India as a global power that took interest in developments worldwide and relations between them were based on solid foundations. New Delhi and Moscow signed an agreement on establishing a hotline between Kremlin and Prime Minister's residence.<sup>2</sup> The establishment of the hotline testified to the high level of Indo-Russian relations. The leaders of the two countries could consult each other on matters of importance which could not be subjects for a press conference. Another agreement on cooperation between the Indian National Science Academy and the Russian Academy of Sciences was signed.<sup>3</sup>

Mr. Primakov categorically stated that his country backed India's stand that Kashmir was a bilateral matter to be resolved within the framework of the Simla Agreement.

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1. Asian Recorder, Volume XXXXII, 1996, p. 25574.
  2. Ibid, p. 25574.
  3. Ibid, p. 25574.

He said, "We want a peaceful solution of the problem. We do not want to see force being used. We are against internationalising the problem."<sup>1</sup>

The greatest impact of the political changes in Russia was felt in India's defence sector. The Soviet Union was a major supplier of arms to India. The Soviet break up disrupted India's most important source of defence supplies and the spare parts. The break up of the Soviet Union resulted in delays in the supplies of spares, ammunition and fulfilling maintenance contracts. The question of spares supplies for its MIG aircraft was India's immediate concern.<sup>2</sup> An Indian delegation headed by the Defence Minister Sharad Pawar, visited Moscow in September 1991 but the new Russian Government was consolidating itself amid an unprecedented welter of domestic problems and Pawar returned empty handed.<sup>3</sup> But Russia was aware that India was potentially one of its best customers and was anxious to retain its Indian arms market. In March 1992, Moscow offered India nuclear powered submarines,

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1. Asian Recorder, Volume XXXXII, 1996, p.:25574.
  2. Anita Inder Singh, op.cit.,p. 74.
  3. Ibid, p. 74.

MIG-31 aircraft and SU-28 fighter bombers to counter the sale of French Mirages and US F16s to Pakistan.<sup>1</sup> In May 1992, the Russian Deputy Prime Minister Mr. Gennady Burbulis, visited India and affirmed that Russia would continue defence supplies, but would demand one tenth of the payment in advance.<sup>2</sup> Under an agreement signed in September 1992, India received a credit to buy \$ 830 mn worth of special equipment and in June 1994 Russia made known its readiness to give India credits to buy SU-30 fighters and a production licence for the aeroplanes.<sup>3</sup> The Indo-Russian military relations received a degree of stabilisation after the defence agreements were signed between the two countries during the Indian Prime Minister's visit to Russia in July 1994. Russia agreed to help in the upgradation of its 170 MIG aircraft to keep them combat worthy into the next century.<sup>4</sup> The two sides formalised agreements to set up joint ventures in the field of civil and military aviation. They agreed to set up a joint

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1. Anita Inder Singh, op. cit. ,p. 74.

2. Ibid, p. 74.

3. Ibid, p. 74.

4. S.K. Jha, Indo Russian Relations : In the Light of New Realities, in M.K. Rasgotra and V.D. Chopra (ed.), op. cit., p. 86.

venture company - Indo Russian Aviation Pvt. Ltd. - having an equity base of 400 million dollars which would manufacture spare parts for military aircraft of Russian origin.<sup>1</sup> India will thus become the first country outside Russia to offer maintenance facilities for Russian aircraft. Such ventures were to be based on purely commercial considerations.

Nevertheless, New Delhi felt it could no longer rely on Moscow for military equipment. India, therefore, sought arms from other countries including Britain and France.

The issue of Indian payment for Russian arms created some friction in the Indo-Russian economic relationship during the tenure of Prime Minister P.V. Narasimha Rao. The central issue was the fixing of a new exchange rate between the rupee and the rouble. India and the former Soviet Union conducted bilateral trade, which emphasized the planning of imports and exports and bilateral balance. India paid the former Soviet Union in rupees which suited both countries as neither then had a convertible currency. For India

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1. Anita Inder Singh, op. cit., p. 75.



this was advantageous as it helped it to save its scarce foreign exchange reserves.

Trade between Russia and India almost collapsed in 1991-92 because of arguments over the rupee-rouble exchange rate and the amount India owed Russia as the successor state to the U.S.S.R. Russia claimed India owed it 16 bn dollars while India claimed it owed 12 bn dollars.<sup>1</sup> However, a somewhat satisfactory solution, over India's debt to Russia and the mode of repayment of debt, was arrived at during President Yeltsin's visit to New Delhi in January 1993, as mentioned earlier. The whole repayment was agreed to be made through Indian goods.

Russia, in 1994, had shown an inclination to auction part of its accumulated rupee funds. This was seen in India as a way to use the credit to buy the Indian goods cheaply for resale in other markets.<sup>2</sup> Further, in order to boost imports from India, the Russian government announced a six months deferred

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1. Anita Inder Singh, op. cit., p. 75.
  2. R.C. Gidadhubli, "Auctioning of the Rupee Funds: New issues in Indo-Russian Economic Relations, Economic and Political Weekly, 31st July, 1994, pp. 1994-96.

payment facility to the Russian importers of the Indian goods besides an interest free credit. It was also announced that goods imported against debt repayment would be exempted from the value added tax to the extent of 20 per cent and a special tax of 3 per cent.<sup>1</sup> These concessions were to help increase exports from India of such items as tea, tobacco, pharmaceuticals and Soya over next three years. But in September, 1994 Moscow called off the proposed auction and went back on its decision to offer 180 days credit to Russian traders to import Indian goods.<sup>2</sup> New Delhi thought that Russia had shelved the auction and the 180 days credit because it feared that this may result in reducing India's debt by 40-50 per cent rather than the 30 per cent, originally anticipated by Moscow.<sup>3</sup>

Regarding the use of Rupee funds, it was decided that a large proportion was to be used to import Indian consumer goods, while some was to be spent on joint ventures in Russia and India.<sup>4</sup> Russia was to contribute to the equity of joint ventures to be set up in India

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1. Anita Inder Singh, op. cit., p. 76.
  2. Ibid, p. 76.
  3. Ibid, p. 76.
  4. Ibid, p. 76.

out of the Rupee funds. The funds were to be utilised to set up new enterprises, modernize existing units and develop infrastructures.

With the settlement of most of the outstanding issues between the two countries trade began to expand. In a meeting of the Indo-Russian Joint Commission held in October 1995, both sides expressed satisfaction over the steadily rising volume of trade between the two countries. It was expected to cross Rs. 5000 crore mark by 1995-96. The comparable figures of 1993-94 and 1994-95 were Rs. 2300 crore and Rs. 4000 crore respectively.<sup>1</sup> However, India faced strong competition from more industrialized countries, which had been quicker to exploit new openings in the Russian market. Indian businessman complained about fast changing laws and finance bottle necks. Some 2% of Soviet Union's trade was with India, in 1993 only 1.04% of Russia's trade was with India. In contrast, in 1993, 5% of Russia's trade was with Japan and the United States, 5.4% with Italy, 10.6% with China and 17.7% with Germany.<sup>2</sup>

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1. S.K. Jha, op.cit., p. 91.

2. Anita Inder Singh, op. cit., p. 77.

There were differences between India and Russia on the question of nuclear non-proliferation. The Russian Government supported the idea of a nuclear free zone in South Asia which ran counter to India's efforts to prevent such a regionalization of the nuclear issue. In November 1991, Russia caused shock and consternation in India by supporting a joint Pakistani-Bangladeshi nuclear weapons free zone (NWFZ) resolution in the disarmament committee of the U.N. General Assembly.<sup>1</sup> Yet, shortly before his visit to India in January 1993, President Yeltsin announced on the Russian T.V. that NPT was not on the agenda of his discussion in India.<sup>2</sup> In a report on the NPT problems prepared in 1995 by Russian Foreign Intelligence service which was headed by Mr. Yuryy Primakov then, it was stated that India, Pakistan and Israel were the main sources of nuclear arms proliferation threat as they de facto possessed nuclear weapons but refused to sign NPT.<sup>3</sup> The two countries, however, learned to live with these irritants and explored the areas of wider cooperation.

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1. S.K.Jha, op. cit. p. 88.

2. Ramesh Thakur, "The Impact of the Soviet Collapse on Military Relations with India", Europe Asia Studies, Volume 45. No.5, pp.839-40.

3. S.K.Jha, op. cit. p. 88.

In search of mutually advantageous relations between the two countries, India realized that her place in Russia's new world view was to be seen in the light of the latter's search for a new identity and international role. It was also recognized by India that in view of serious economic difficulties faced by Russia, it cannot be the source of aid in the sense the former Soviet Union was, Russian could at best provide cooperation and partnership based on mutual interest.

Historically, a certain convergence has always existed between Russian and Indian geopolitical interests in peace and stability of the Central Asian region, forming the Southern part of the Eurasian landmass separated from the subcontinent by the Pamirs " and the Hindukush chain of mountains. The growing Islamic factor, seeking to assume an aggressive fundamentalist character in some of the former Soviet Republics of Central Asia and fuelled secessionist movement in the Chechen Autonomous Republic of Russia, also impinged on the situation in India where a secessionist movement in Kashmir was being sustained through cross border terrorism, and to check the growing assertiveness of China, a strategic cooperation

between India and Russia is necessary.

#### SINO--INDIAN RELATIONS

The threads of building better relations with China were taken up by Mr P.V. Narasimha Rao when he became the Prime Minister, continuing the process which had begun with the path breaking visit of Mr Rajiv Gandhi to China in December, 1988.

Factors such as the thawing of relations between Russia and China, China's concentration on the well known "four modernisations" of its internal socio-economic structures, the end of the cold war, and the disintegration of the Soviet Union affected China's India policy. The collapse of the erstwhile U.S.S.R. also had a four fold relevance for Sino-Indian relations.<sup>1</sup> First, the collapse of the Soviet Union removed the obstacle of good relations between her and India, as an irritant in the Sino-Indian relations, completely. Secondly, it left India bereft of a reliable major power patron and so gave greater urgency to improving ties with China. Thirdly, it took away at one stroke about one-fifth of India's export market,

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1. Ramesh Thakur, The Politics and Economics of India's Foreign Policy, New Delhi, 1994, p. 84.

and so enhanced the importance of searching new trading partners. Fourthly, the prospect of a rampant America in a unipolar world gave China and India a significant common interest in international and Asian affairs in constraining any nascent American hegemonism. Even more significant were the emerging challenges to China's political and territorial cohesion. Tendencies of Islamic extremism affecting Sinkiang, and the re-emergence of Tibetan separatism, worried China. Its domestic political and economic concerns made China conscious that creating an atmosphere of political stability and peace in regions surrounding it was necessary to meet Chinese interests. There was, therefore, an undercurrent of desiring peaceful and stable relations with all its neighbours in China's foreign policy. Opening up lines of contact with India was a result of this approach.<sup>1</sup>

Mr. Li Peng, the Chinese Premier, therefore, visited New Delhi from 11 to 16 December, 1991.<sup>2</sup> The talks of the two Prime Ministers was marked by convergence of

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1. J.N. Dixit; My South Block Years, Memoirs of a Foreign Secretary, New Delhi, 1996, p. 232.
  2. Annual Report, Ministry of External Affairs, 1991-92, New Delhi, p. 17.

views on the importance of promoting cooperation between the two countries as also on the need to meet the challenges of the post Cold War era.<sup>1</sup>

The two leaders felt strongly against some of the features of the present day global situation. They agreed that the new world order <sup>must</sup> be based on the Five Principles of Coexistence. Both of them were equally firm in their opposition to international oligarchies and said that no country or countries could or should be permitted to manipulate world affairs and practise power politics.<sup>2</sup> Prime Minister P.V. Narasimha Rao in a statement in the Indian Parliament said : "..... Premier Li Peng and I agreed that the five principles of peaceful coexistence, jointly initiated by India and China in 1954, were essential norms for the conduct of international relations and that all countries, regardless of their size, strength or state of development were equal members of the international community. It was our common position that the use of force as a means of settlement of disputes should be firmly abjured in international relations. The economic imbalance between

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1. Asian Recorder, Volume XXXVIII, 1992, p. 22136.  
2. Ibid, p. 22136.



the developed and developing world had become more serious. Developing countries would not only need to take a common stand in their dialogue with the North, but become more collectively self reliant. The role of the United Nations should be strengthened."<sup>1</sup>

On the border issue, both the Prime Ministers agreed that the Joint Working Group (JWG) needed to intensify its efforts to find an early, fair, reasonable and mutually acceptable solution to this question. They agreed that the JWG should concentrate on working out specific measures to maintain peace and tranquillity along the line of actual control. In practical terms, it meant that border personnel would hold regular discussions and work for confidence building measures.<sup>2</sup> Both leaders also agreed that both sides should undertake special efforts to pull back from their respective forward military posts, which were in 'close confrontation' in the Wang Dung sector, in the north east.<sup>3</sup> It was further agreed that both sides should try

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1. P.V. Narasimha Rao, Selected Speeches, Volume I, 1991-92, New Delhi, pp. 350-351.
  2. Asian Recorder, Volume XXXVIII, 1992, p. 22137.
  3. J.N. Dixit, op. cit., p. 233.

to delineate those sections of the line of actual control about which differences of opinion existed between China and India and to meet these objectives, the two leaders decided that the Joint Working Group should include in its delegations the representatives of the respective armed forces to facilitate technical discussions.<sup>1</sup> Prime Minister Rao affirmed India's commitment to seeking a fair and resonable solution to the boundary question in consonance with the dignity and self respect of either country.<sup>2</sup> He said : "Our approach must necessarily be positive, and practical, it must take into account historical data, tradition and custom and also present realities. Above all, we must find a solution within the framework of national interests and sentiments of both sides."<sup>3</sup> Mr. Li Peng pointed out that the border dispute should not be allowed to be an obstacle in the way of developing cooperation in various areas.<sup>4</sup>

This had a positive and a notable outcome. An agreement on the reestablishment of Consulates General

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1. J.N.Dixit, op. cit., p. 233.
  2. Asian Recorder, Volume XXXVIII, 1992, p.22135.
  3. P.V. Narasimha Rao, Selected Speeches, Volume I, New Delhi, 1991-92, p. 344.
  4. Asian Recorder, Volume XXXVIII, 1992, p. 22137.

in Shanghai and Bombay, a Consular Convention, a Memorandum on the Resumption of Border Trade, the Trade Protocol for 1992 and a Memorandum of Cooperation on the Peaceful Applications of Outer Spaces Sciences and Technology were signed during the visit. An Indo-China Joint Communique was also issued at the conclusion of Mr. Li Peng's visit to India.<sup>1</sup>

The establishment of Consulates in the premier commercial and industrial centres of India and China was done to give a fillip to economic and trade relations between the two countries, whereas the Consular Convention codified the privileges and immunities to be enjoyed by the personnel working in the Consulates in each other's country.<sup>2</sup>

According to the Trade Protocol for 1992, signed by the Commerce Minister of India Mr. P. Chidambaram and Mr. Li Lanqing, Minister of Foreign Trade and Economic Relations of China, India for the first time was to import newsprint from China. Under the Protocol which came into force from January 1, 1992, China was to import iron-ore and chrome ore, tea, tobacco,

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1. Annual Report, Ministry of External Affairs, 1991-92, New Delhi, p. 17.
  2. Foreign Affairs Record, Volume XXXVIII, No. 12, 1991, New Delhi, p. 242.

chemicals, engineering products, jewels, processed diamonds and synthetic fibre and yarn, whereas India was to import raw silk, metals and minerals including coking coal, chemicals and petroleum products.<sup>1</sup> The memorandum on the resumption of border trade, which was to remain in force for two years, laid down that for the present, border trade would be established at Pulan in the Tibet Autonomous Region of China and Gunji in the Pithoragarh district of Uttar Pradesh.<sup>2</sup> The Chinese agreed on the need for a dynamic increase and diversification of trade relations, and expressed their willingness to redress the present adverse balance of trade which affected India.

Regarding Tibet, Prime Minister Rao pointed out to Mr. Li Peng that there was no change in India's policy that Tibet was an autonomous region of the Chinese Republic, and mentioned the willingness of Dalai Lama to hold discussions with the Chinese authorities about the future of Tibet.<sup>3</sup> Mr. Li Peng observed that China was quite willing to hold talks with the Dalai Lama but

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1. Asian Recorder, Volume XXXVIII, 1992, p. 22136.
  2. Ibid, p. 22136.
  3. J.N. Dixit, op. cit., p. 234.

the difficulty lay in latter's aim to secede Tibet from China which Beijing was not ready to accept.<sup>1</sup>

When Prime Minister Rao informed Mr Li Peng about the actual situation in Kashmir and Pakistan's role in accentuating the crisis there Mr Li Peng's response was measured and impartial. Neither did he refer to the close relationship between China and Pakistan nor did he adopt the generally pro-Pakistani stance, which the Chinese normally did, vis-a-vis Kashmir, but Mr Peng's response was that issues related to Kashmir were unfortunate inheritances from the colonial past of India and Pakistan and that China desired a peaceful solution to the Kashmir problem through dialogue which would assuage both Indian and Pakistani concerns and, at the same time, fulfil the aspirations of the people of Jammu and Kashmir, and also that China was not in favour of Kashmir becoming a separate and independent country.<sup>2</sup> This response reflected a change in China's policy compared to its stance on Kashmir right from the

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1. J.N. Dixit, op. cit. p. 234.

2. Ibid, pp. 234-235.

1960s almost to the beginning of 1980s.

During the course of Mr. Li Peng's visit to India, the Indian foreign minister Mr. Madhav Singh Solanki raised the issue of China's arms supplies to Pakistan and Myanmar, which could upset India's security and hasten the arms race in the region. Mr. Qian Qichen sought to assure that China was not interested in fuelling arms race or upsetting the balance but anxious to preserve stability in the region and repeated the known Chinese line that the arms supplies were guided by three considerations: (i) to meet the legitimate defence requirements of the recipient country; (ii) to maintain peace in the region and (iii) no political interference in the internal affairs of other nations.<sup>1</sup> India conveyed her concern about Pakistan's continued support to militant and terrorist activity in Punjab and Jammu Kashmir to the Chinese side, to which the Chinese Premier said that China was opposed to terrorism since it does not solve problems and only sharpens contradiction and that China would convey India's concerns to Pakistan when the opportunity arises.<sup>2</sup>

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1. Asian Recorder, 1992, Vol. XXXVIII, p. 22137.

2. Annual Report, Ministry of External Affairs, 1991-92, New Delhi, p. 18.

The visit of Mr Li Peng yielded concrete results. A new beginning was made after a gap of nearly two years. Before his departure Mr Li Peng offered invitations to President Venkataraman and Prime Minister Rao to visit China. These invitations were accepted.

President Venkataraman visited China from 18 to 23 May, 1992, the first such visit to China by an Indian Head of State since the establishment of diplomatic relations with the People's Republic of China in 1950.<sup>1</sup> President Venkataraman had decided on the stance that he would take with the Chinese leadership in consultation with Prime Minister Rao before his visit.<sup>2</sup> He had decided to go beyond political generalities in his discussions. The message that Mr Venkataraman conveyed to the Chinese was that India was serious about consolidating the process of substantive relations with China on an expeditious and continuing basis.<sup>3</sup>

Both sides agreed that the boundary question was complex and reiterated their firm resolve to settle the

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1. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 34.
  2. J.N. Dixit, op. cit., p. 237.
  3. Ibid, p. 238.

boundary question by peaceful negotiations. They reached an understanding on not to insist on a time frame for solving the border dispute, marking a qualitative change in their relations. This was a public admission of the reality that the dispute cannot be seriously taken up without building mutual confidence. The new understanding, announced at the end of the talks between Mr. Venkataraman and the Chinese leaders, represented a definite shift in the position of India which had maintained that there could be no improvement in relations before the border dispute was resolved.<sup>1</sup> Till recently, India maintained that the dispute should be solved within a reasonable time. Further, they noted that concrete progress was being made for the enhancement of confidence building between the two countries in the border areas. Regular contacts between the two armies at the level of brigadiers on the border were being maintained to avoid any misunderstanding.<sup>2</sup> The need for adoption of a forward looking approach which ensures the meeting of minds of

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1. Asian Recorder, 1992, Vol. XXXVIII, p. 22400.

2. Ibid, p. 22400.



and a reconciliation of difference was particularly stressed.

While the boundary question was raised by Mr. Venkataraman, Tibet figured in the discussions at the instance of the Chinese side. The Chinese side appreciated India's position (that it was an autonomous region of China) but was unhappy at the Dalai Lama using India as a base for political activities, however, the President said he had told his hosts that the terms of stay for the Tibetan refugees clearly barred them from taking part in political work.<sup>1</sup>

India- Pakistan relationship figured in President's talks. According to him, he told his hosts of India's keenness to develop friendly cooperation with Pakistan but Islamabad's covert and open assistance to terrorists militated against it and that Mr. Li Peng told him that China was a friend of both India and Pakistan

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1. Asian Recorder, 1992, Volume XXXVIII, p. 22400.

and that he had conveyed to Pakistan Prime Minister Nawaz Sharif India's view and suggested a favourable response.<sup>1</sup> Controversial matters such as nuclear non-proliferation and the proposal for a five nation conference for a nuclear free South Asia were not taken up at all.

Another important result of President Venkataraman's visit was that the Chinese leadership candidly and analytically described the social and developmental problems that China was facing as a consequence of its economic modernisation and reform programmes. Economic reforms was one of the major issues of talks with Mr. Jiang Zemin, General Secretary of the Chinese Communist Party. Mr. Jiang Zemin felt it would be useful for the two countries to exchange information on this subject.<sup>2</sup> Responding to certain queries from Mr. Venkataraman, Mr. Jiang Zemin acknowledged that problems of distributive justice and imbalances in economic development between different regions of China represented the two main consequences of China's

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1. Asian Recorder, 1992, Volume XXXVIII, p. 22400.

2. Ibid, p. 22400.

economic reforms and liberalisation of the country's economy.<sup>1</sup> President Venkataraman, in turn, explained the rationale behind India's economic restructuring and reform programmes.<sup>2</sup> The President said that the urge for economic cooperation was evident throughout his discussions and that political issues, which he thought, would have a primacy, were relegated to a lower level, and of particular interest was their desire for joint ventures in the two countries as also in third countries.<sup>3</sup>

Regarding Jammu and Kashmir, both Mr Jiang Zemin and Mr Li Peng articulated an impartial stance making two identical points. First, they reiterated, again, that all controversies related to Jammu and Kashmir are inheritances from the colonial past, an imperial era, and secondly, that all such controversies should be resolved bilaterally by India and Pakistan through peaceful discussions and by "any possible means mutually acceptable to both countries."<sup>4</sup> As far as the

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1. J.N. Dixit, op. cit. p. 238.

2. Ibid, p. 238.

3. Asian Recorder, 1992, Volume XXXVIII, p. 22400.

4. J.N. Dixit, op. cit., pp. 238-239.

second point was concerned, it was as if both the Chinese leaders were reading out from a pre-agreed text of the relevant clause from the 1972 Simla Agreement, between India and Pakistan.

However, the visit received a jolt, when the Chinese conducted a nuclear test while President Venkataraman was in China and Chinese President Yang Shangkun was expressing his yearnings to go back to the days of Hindi-Chini Bhai-Bhai!<sup>1</sup> It was speculated that this test was a deliberate gesture by the Chinese to re-emphasize their superior power status vis-a-vis India and to convey China's scant respect for Indian sensitivities regarding non-proliferation and disarmament. However, the then Indian Foreign Secretary, Mr. J.N. Dixit holds a different view point that the test was more a message to the United States and Western powers as the nuclear tests could not be conducted at a short notice and that China had never lectured India on nuclear non-proliferation, and it was

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1. Krishan D. Mathur and P.M. Kamath, *Conduct of India's Foreign Policy*, New Delhi, 1996, p-160.

not an India specific gesture.<sup>1</sup>

Continuing with the process of political dialogue, as a principal confidence building measure, the Defence Minister of India, Mr. Sharad Pawar, accompanied by senior army personnel visited China in July, 1992. This visit was seen as part of the effort of both the countries to enhance mutual understanding and trust and establish a tension free border, a necessary step to settle the pending issues between India and China, including the boundary question.<sup>2</sup> Premier Li Peng told the Indian Defence Minister that the exchange of visits and meetings between Chinese and Indian leaders in recent years had led to a new stage in Sino-Indian relations.<sup>3</sup> Premier Li Peng noted some similarities and many identical views shared by India and China on international issues and mentioned the new international political and economic order, environmental protection and development.<sup>4</sup> This visit was reciprocated by the Chinese Defence Minister in

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1. J.N. Dixit, op. cit., p. 241.

2. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 34.

3. Asian Recorder, 1992, Volume XXXVIII p. 22527.

4. Ibid, p. 22527.

1994. A significant outcome was that both countries would conduct joint naval exercises.<sup>1</sup>

The Indian P.M. had, earlier, met the Chinese P.M. Li Peng, in New York in February 1992 when the first ever Summit meeting of the Security Council was held. China's P.M. expressed his happiness over similarity in their approaches in the U.N. speeches.<sup>2</sup> He said : "We seemed to have consulted each other before drafting our speeches at the Security Council, since there was a great deal of parallelism on major issues."<sup>3</sup> India and China shared identical views on human rights and their opposition to the pressure of the U.S.A. and its western allies on India and China's record of protection of human rights. Apart from U.S. pressure on protection of human rights that brought India and China together, there was the issue of U.S. efforts to link social issues to trade and aid that put India and China on the same side. In the case of China, it was China's export of goods by prisoner's labour, while in the case of India, it was child labour involved in carpet industry.<sup>4</sup>

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1. V.P.Dutt, India-China: Promise and Limitation, in Indian Foreign Policy: Agenda for the 21st Century (ed), Volume 2, New Delhi, 1998, p.233.
  2. P.M. Kamath and Krishan D. Mathur, op.cit, p.158.
  3. Ibid, p. 158.

The confidence building exercises led to two rounds of talks of the Joint Working Group (JWG) in the year 1992 itself. The first round of talks was held from 19th February to 23rd February, 1992. This session of the JWG identified the military posts of both countries along the line of actual control, including those in close confrontation, on which there was mutual agreement; both sides informed each other about the specific sectors of the line of actual control regarding which disagreements existed between them; both sides also exchanged general information about the levels of military presence on both sides of the line of actual control and determined the elements which should be covered in the proposed bilateral agreement to maintain peace and tranquility along this line.<sup>1</sup> The most important decision taken was that both sides would prepare separate drafts for an agreement on "maintenance of peace and tranquility along the line of actual control" and exchange them within 12 weeks so that the drafts in a concrete form could form the basis of discussions at the next round of the JWG meeting.<sup>2</sup>

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1. J.N.Dixit, *op. cit.*, p. 237.

2. Ibid, p. 237.

The initial drafts of the proposed agreement for maintaining peace and tranquility along the line of actual control were exchanged during the visit of President Venkataraman to China in May, 1992.<sup>1</sup>

The second round of talks was held in Beijing in October, 1992. The discussions concentrated on the draft agreements on maintaining peace and tranquility along the line of actual control. The Chinese posed three difficulties for the Indians. First, they insisted that forward posts which India had located on the line of actual control be pulled back and that this should be a one side exercise;

Secondly, they wished to make a separate reference to the Sikkim sector of the Sino-Indian line of actual control; thirdly, they held the view that maintenance of peace and tranquillity on the line of actual control should not imply agreement between India and China as to where the line of actual control lay in sectors in which differences of opinion existed.<sup>2</sup> The Indian response was that one sided pulling back of

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1. J.N. Dixit, op. cit., p. 240.

2. Ibid, p. 242-243.



Indian military positions was not feasible, withdrawals would have to be mutual and the specifics would have to be worked out on the basis of reciprocity, in terms of both the time frame and the distances to which withdrawals would take place, and that the question of Indian troops moving back to pre- 1984 positions just did not arise; secondly, a formula had to be found out for covering the Sikkim-Tibet sector of the line of actual control, as India would not countenance a separate reference to this sector because this would mean her accepting the Chinese stand of not recognizing Sikkim as an integral part of India; -

Thirdly, '...', as far as the third issue mentioned by China was concerned India asserted that it involved both political and technical aspects and she did not wish to impose any rigid precondition, what she desired was an objective and precise delineation of the line of actual control based on ground realities and not on territorial claims.<sup>1</sup> It was also agreed during these JWG meetings that a composite draft merging the Indian and Chinese versions should be prepared.<sup>2</sup> It was also

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1. J.N. Dixit, op. cit., p. 243.

2. Ibid, p. 243.

decided to open more border points to give a fillip to the border trade.<sup>1</sup>

The next round of the meeting of the JWG was held in New Delhi in June 1993.<sup>2</sup> During these talks the draft agreement for maintaining peace and tranquillity along the line of actual control was finalised. Most importantly, it was agreed that the JWG should work at delineating the line of actual control without prejudice to the stand of either country along the Sino Indian border; it was agreed that both sides should move forward to end close confrontation military posts on the basis of reciprocity; it was also agreed that those sections of the line of actual control on which India and China had differences should be referred to a subgroup of experts of the JWG.<sup>3</sup>

The agreement on the maintenance of peace and tranquillity along the line of actual control in India-China border areas was signed on 7 September, 1993, during the visit of the Indian Prime Minister

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1. Asian Recorder, 1992, Volume XXXVIII, p. 22755.
  2. Annual Report, 1993-94, Ministry of External Affairs, New Delhi, p. 20.
  3. J.N. Dixit, op. cit., p. 244.

P.V. Narasimha Rao to China.<sup>1</sup> (Appendix-III) . The two countries pledged to strictly respect and observe the line of actual control and not to use force or the threat of force as well as to keep their military force along the Line of Actual Control (LAC) in conformity with the principle of "mutual and equal security" to mutually agreed upon ceilings, which would be reduced in stages in mutually agreed upon locations along the LAC. They also pledged not to undertake specified levels of military exercises in mutually agreed upon zones and to give the other side prior notification of military exercises of specified levels near the LAC permitted under this agreement. Other measures envisaged in the 1993 agreement are joint verification of the Line of Actual Control where there are differences of interpretation between the two sides, better communication between the local commanders of the two sides in border areas, meetings between them, wider confidence building measures, mutually agreed pull back of troops from forward areas from both sides and prevention of aerial violations. The prime aims of the agreement were precise and clear, i.e. , to defuse

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1. Annual Report 1993-94, Ministry of External Affairs, New Delhi, p. 19.

tension along the line of actual control, to defuse possibilities of a military confrontation and to create an atmosphere which would help resolve the boundary question within a rational and objective framework.<sup>1</sup> It reflected the determination of the two countries to overcome past differences and seek a durable relationship on the basis of mutuality of interests. Prime Minister Rao said : "I am confident that if we both continue this process, our common border will continue to be a border of tranquillity."<sup>2</sup>

Prime Minister Rao said in Beijing that the two countries had decided to put aside divisive issues and "walk on the path of peace and cooperation."<sup>3</sup> The two sides did not want to allow the differences to hamper the development of mutually beneficial cooperation. Three other agreements were signed during this visit. These were :

- i) agreement on environmental cooperation.<sup>4</sup>
- ii) protocol for extension of border trade across Shipkila Pass.<sup>5</sup>

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1. J.N. Dixit, op. cit., p. 246.
2. P.V. Narasimha Rao, Selected Speeches, Volume III, 1993-94, New Delhi, p. 394.
3. V.P.Dutt, India-China: Promise and Limitations, in Indian Foreign Policy; Agenda for the 21st Century 1998, New Delhi, p. 233.
4. Foreign Affairs Record, 1993, Vol. XXXIX, p. 251
5. Ibid, p. 253.

iii) agreement on radio and television cooperation.<sup>1</sup>

Prime Minister Rao called for greater economic cooperation between the two countries. He said: "I am confident that we have still to tap the full potential of the possibilities that exist for our two large economies to interact in the economic sphere. We could consider several modalities to realise this immense potential. Such cooperation in the economic sphere would not only lend further strength to our bilateral relations but would also contribute to economic cooperation in overall terms in Asia and in the rest of the world."<sup>2</sup> He further said : "A general agreement on India - China strategy and approach on a series of issues could be conducive to an Asian resurgence."<sup>3</sup>

China's position on Kashmir and Pakistan's support to terrorism in the state were discussed by both the Prime Ministers. Beijing felt it should be peacefully sorted out through direct talks between

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1. Foreign Affairs Record 1993, Volume XXXIX, p.

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2. P.V. Narasimha Rao, *Selected Speeches*, Vol. III, New Delhi, 1993-94, p. 393.

3. *Ibid*, p. 394.

India and Pakistan.<sup>1</sup> The Chinese nervousness over Tibet and the Dalai Lama's activities were again apparent when Mr. Li Peng raised the issue, while the Indian Prime Minister restated India's position of Tibet being an autonomous region of China. India gave respect to the Dalai Lama, but did not encourage any anti Chinese political activity on Indian soil.<sup>2</sup> However, during Prime Minister Rao's visit, while China raised the question of Dalai Lama's activities in India, India did not raise its supply of M-11 missiles to Pakistan.<sup>3</sup>

As part of the process of generating mutual trust, defence exchanges between India and China were carried forward. Chinese naval ship "Zheng He" visited Bombay in November 1993 which was the first visit by a Chinese warship to an Indian port.<sup>4</sup>

The India-China Expert Group (EG), set up under the Peace and Tranquillity Agreement to assist the JWC

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1. V.P. Dutt, *op. cit.*, p. 233.
  2. *Ibid.*, pp. 233-234.
  3. Krishan D. Mathur and P.M. Kamath, *Conduct of India's Foreign Policy*, New Delhi, 1996, p.160.
  4. Annual Report 1993-94, Ministry of External Affairs, New Delhi, p. 20.

in the implementation of the agreement, held two meetings in April 1994. These meetings of the EG resulted in basic agreement on issues relating to the Group's mandate, future tasks and methodology codified into a document on the work regulations of the EG which was signed by the leaders of the two delegations at the second meeting of the EG.<sup>1</sup> However, there were differences on the depth, extent, timing and nature of withdrawal of the troops from positions of "close confrontation" (China's description) or "close proximity" (India's characterisation) and the alignment of the line of actual control.<sup>2</sup> While India put forward troops reduction on the basis of "equal and balanced security", China insisted that "whichever side advanced first, should withdraw first."<sup>3</sup>

The Chinese Vice Premier and Foreign Minister Qian Qichen visited India in July 1994. The two countries signed agreements on the avoidance of double taxation and on preventing tax evasion on July 18, 1994, in the interest of both countries.<sup>4</sup> On Sikkim,

1. Annual Report, 1994-95, Ministry of External Affairs, New Delhi, p. 25.
2. T. Paulose and Gurpreet Kaur, (ed.), India and world affairs, New Delhi, 1995, p.167.
3. Krishan D. Mathur and P.M.Kamath, Conduct of India's Foreign Policy, New Delhi, 1996, p.159.
4. T. Paulose & G. Kaur, (ed.), op. cit., N. Delhi, 1995, p.165.

Mr. Qian chose to be ambiguous, but it was a positive ambiguity from India's standpoint. Beijing, he said, had stopped issuing statements since the 1970's.<sup>1</sup> He made two other points-one, China's position, since, had not changed; and two, both sides were holding discussions on the subject. The Chinese Ambassador to India, Mr. Cheng Ruisheng, hinted at Chinese acknowledgement of Sikkim being part of India.<sup>2</sup>

China continued to be equivocal on Sikkim and on Arunachal Pradesh though. India, on its part, had given no cause for complaint to Beijing on issues related to China's territorial integrity. New Delhi recognised China's stand on Tibet and Taiwan.

Vice President of India, Mr. K.R. Narayanan, visited China from 22 to 28 October, 1994 in reciprocation of the Chinese Vice Premier's visit to India earlier. The Vice President emphasized the need to further increase cooperation in economic, and scientific and technological fields.<sup>3</sup>

The year 1994 saw the holding of the Festival of

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- cit.
1. T. Paulose & G. Kaur, (ed.) op. cit., N. Delhi, 1995, p. 168.
  2. Ibid, p. 169.
  3. Annual Report, 1994-95, Ministry of External Affairs, New Delhi. p. 25.



India in China which was the first ever festival of a foreign nation to be held in China.<sup>1</sup> A Chinese cultural festival had earlier been organised in India in December, 1992.<sup>2</sup> The two countries also celebrated the fortieth anniversary of Panchsheel or the Five Principles of Peaceful Coexistence in June, 1994 by holding conferences in Delhi and Beijing where scholars and policy makers drawn from both the countries were present. During the seminar in Delhi, which was inaugurated by the Prime Minister on 27th June, 1994, participants from both India and China discussed the relevance of Panchsheel in the post-Cold war era.<sup>3</sup> Prime Minister Rao said : "China and India have renewed not just the bilateral relationship but, in a way, have renewed the very interpretation of Panchsheel by setting aside differences and working towards the common goal of making their world a better place to live in for their people. To this end, we have much to share and much to learn from each other."<sup>4</sup>

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1. Annual Report, 1994-95, Ministry of External Affairs, New Delhi, p. 25.
  2. Annual Report, 1993-94, Ministry of External Affairs, New Delhi, p. 21.
  3. Annual Report, 1994-95, Ministry of External Affairs, New Delhi, p. 26.
  4. P.V.Narasimha Rao, Selected Speeches, Volume III, 1993-94, New Delhi, p. 495.

The eighth meeting of the India-China Joint Working Group was held in New Delhi, in Aug. 1995. The JWG continued discussions aimed at arriving at a fair, reasonable and mutually acceptable solution to the boundary question and on the implementation of the Border Peace and Tranquillity agreement. At this meeting, the two sides agreed on the pulling back of four Indian and Chinese posts, two on each side, in close proximity in the Sundurong Chu Valley. This decision was implemented and was without prejudice to the respective stands of India and China on the alignment of the Line of Actual Control (LAC) in the area.<sup>1</sup>

Though, India-China trade had started rising steadily since the signing of a Most Favoured Nation (MFN) agreement in 1984, but its real growth came about after the initiative taken by the Indian Prime Minister Mr. Rao and the Chinese Premier Mr. Li Peng with the decision that the border dispute should not be allowed to be an obstacle in the way of developing cooperation in other areas. Trade touched 675.73 dollar mark in

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1. Annual Report, 1995-96, Ministry of External Affairs, New Delhi, p. 10.

1993 - a rise of 98% over the previous year. Trade rose to 895 million dollars in 1994-95 and was expected to be around 1.2 to 1.3 billion dollars in 1995-96. The Indian exports to China increased from 180.99 million dollars in 1992 to 416.57 mn dollars in 1993 - a rise of 169.9 per cent. Trade balance did favour China in 1994-95 and was likely to remain so in 1995-96 too.<sup>1</sup> Mineral products and iron and steel were the two largest items of export to China. Other Indian exports included chemicals, jewellery and semi-precious stones, raw hides and skins. The bulk of the imports was constituted by raw silk for the booming Indian textile industry. Joint ventures were set up in both countries. The two countries also initiated cooperation in the area of coal mining. Significant exchange of visits took place at the highest levels to enhance cooperation in the realm of science and technology, especially in the areas of space, aerospace, nuclear power, agricultural science, milk and dairy development. The Indian purchase of low enriched uranium from China for the Tarapur Atomic

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1. Sujit Dutta, Indo-China Relations : The Post Cold War Phase, in M.K. Rasgotra and V.D. Chopra (ed.), India's Relations with Russia and China : A New Phase, New Delhi, 1997, p. 157.

Power station in 1995, following the refusal of the United States and France to continue with the supplies, was the outcome of the changed perceptions of the two big sized neighbours.

The end of the cold war the normalisation of China - Russia relations, the end of the Afghan and Cambodian conflicts, India's growing ties with the United States, the ASEAN states, Europe and Japan and the economic reforms and liberalisation initiated by the Narasimha Rao Government, all, had their impact on creating a new environment, facilitating an upturn in India-China ties.<sup>1</sup> A series of confidence and security building measures, high level political and military exchanges, rising trade and investments, and cooperation in science and technology and in wider international issues laid the basis for a more comprehensive relationship than in the past. On the broader strategic plane, the enormous changes in the international environment since the end of the cold war, on the whole, encouraged improvement in relations

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1. Sujit Dutta, India-China Relations : The Post Cold War Phase, in M.K. Rasgotra and V.D. Chopra (ed.), India's Relations with Russia and China: A New Phase, New Delhi, 1997, p.158-159.

between India and China.<sup>1</sup>

But, even after improved Sino-Indian relations, China retained Pakistan as an ally vis-a-vis India. This was clear from China's continued supply of M-11 missiles to Pakistan and its cooperation in Pakistan's nuclear weapons programme. China was also building a naval base on the southern most tip of Myanmar on Cocos Islands in the Andaman Sea and continued to supply arms to the military government in Myanmar, the North-East which were finding their way to insurgents in Assam.

Although, these misgivings and differences still remained over the territorial issue, there was a growing recognition in both India and China that improvement in the relationship between the two largest and major Asian states had wide and positive implications - for their two billion people, for the developing countries and the global order.

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1. C.V. Ranganathan, India-China Relations - Retrospects and Prospects, in Indian Foreign Policy : Agenda For the 21st Century, New Delhi, 1998, p. 252.

# **Chapter-III**

INDIA AND ITS NEIGHBOURS

INDO-PAKISTAN RELATIONS

When the Narasimha Rao Government came to power, India's relations with Pakistan continued to be under stress and strain on account of its undiminished support to terrorism in Punjab and Jammu and Kashmir, and its attempts to internationalise the Kashmir issue in violation of the Simla Agreement.

In order to assess the mood in India and the likely policies of Mr. Rao's new government towards Pakistan, the Pakistan Foreign Secretary visited India from 18th to 21st August 1991, as a special envoy of the Pakistan Prime Minister.<sup>1</sup> He conveyed the desire of the Pakistani Government to engage in a serious and constructive dialogue with India and to approach issues with a new mindset, asserting that the new approach of Pakistan would be reflected on the ground. This was the assurance conveyed both to Prime Minister Narasimha Rao and Defence Minister Sharad Pawar by him, that Pakistan would take definite steps to prevent subversive activities in Jammu and Kashmir originating from Pakistan territory.<sup>2</sup> However, Pakistan's support to

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1. Annual Report, Ministry of External Affairs, 1991-92, New Delhi, p. 6.
  2. J.N. Dixit., My South Block Years: Memoirs of a Foreign Secretary, New Delhi, 1996, p. 114.

terrorism and subversion continued unabated.

Prime Minister Mr Narasimha Rao and Mr Nawaz Sharif met at the Commonwealth Summit meeting in Harare on 17th October, 1991, for the first time.<sup>1</sup> All issues, including Kashmir, figured in the talks though there were no detailed discussions. Prime Minister Rao said, "we have decided that we shall continue our efforts, that we should tinvigate our efforts, to resolve all outstanding bilateral issues by peaceful, mutual negotiations."<sup>2</sup> Mr Sharif added, "We both have agreed to continue this dialogue. These talks have been held in a very good atmosphere.... a start has been made in a very good atmosphere. We will continue the dialogue in the same spirit..... in course of time, we will be able to resolve these problems through negotiations..<sup>3</sup> On return to New Delhi, on October 19, Prime Minister Narasimha Rao said India and Pakistan had rejected third party mediation and agreed to resolve their outstanding problems bilaterally.<sup>4</sup>

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1. Asian Recorder, Volume XXXVII, 1991, p. 22036.

2. Ibid, p. 22037.

3. Ibid, p. 22037.

4. Ibid, p. 22037.



It was in this background that the fifth round of talks between India and Pakistan at the Foreign Secretaries-level, held in the first week of November, 1991<sup>1</sup>. Earlier rounds, though they undoubtedly constituted the process by which the levels of acrimonious rhetoric and mutual suspicions were reduced, were not marked by discussions of substance. Attendant circumstances contributed to the relative success of the fifth round as the two sides substantively discussed individual issues. With technical incompatibilities having been thrashed out at the subsidiary level, the two Foreign secretaries were able to exchange notes on the basic interests each country was seeking to protect or promote in these areas and explore the possibilities and ways of accomodation. In overall terms, the two sides were able to carry forward the process of discussing other issues figuring in bilateral relations without their being smothered by the dominant issue of Kashmir. During the discussions, according to the spokesman of the Pakistan Foreign Office, the Pakistanis stressed that the

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1. Asian Recorder, Volume XXXVIII, 1992, p. 22089.

solution to the Kashmir issue was a prerequisite for normalisation of relations between the two countries. India, on the other hand, reiterated that the crux of the issue was Pakistan's aid to and abetment of terrorist and subversive elements.<sup>1</sup>

However, the President of Pakistan, Mr. Ghulam Ishaq Khan, addressing a joint session of the two Houses of the National Assembly on December 19, 1991, said it would not be possible to normalise relations with India to the desired level without a solution to the Kashmir issue.<sup>2</sup> Prime Minister Narasimha Rao met the Pakistani Prime Minister in Colombo on 21st December, 1991, where he reminded him that despite assurances, Pakistan continued with its support to terrorism and that these actions of Pakistan do not match with Pakistan's stated desire to improve bilateral relations with India.<sup>3</sup>

As a confidence building measure, India and Pakistan exchanged the list of nuclear installations

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1. Asian Recorder, Volume XXXVIII, 1997, pp. 22089.
  2. Ibid, p. 22118
  3. Annual Report, Ministry of External Affairs, New Delhi, 1991-92, pp. 6-7.

and facilities as stipulated under the Agreement on Prohibition of Attack against Nuclear Installations and Facilities, 1988.<sup>1</sup> The exchange was carried out simultaneously at Islamabad and New Delhi. India's Foreign Secretary, Mr. J.N. Dixit handed over the Indian list to the Pakistani High Commissioner, while the list of Pakistani nuclear installations and facilities was handed over by Pakistan's Foreign Secretary, Mr. Shaharyar M. Khan, to India's acting High Commissioner in Islamabad.

However, despite all the supposedly positive signals sent by the Nawaz Sharif Government to India that the situation on the ground would change they were not adhered to. The Pakistani Government orchestrated a nation wide protest against India on 5th January, 1992. A number of rallies were organised and the day was dubbed the "Right of Self Determination Day for Kashmir."<sup>2</sup>

The two Prime Ministers had another meeting at Davos, Switzerland on 2nd February, 1992.<sup>3</sup> When

1. Foreign Affairs Record, Volume XXXVIII, no.1, 1992, p. 4.
2. J.N. Dixit, op.cit. p. 116.
3. Annual Report, Ministry of External Affairs, 1991-92, New Delhi, p. 7.

Mr. Nawaz Sharif repeated his desire for normalcy and peace, Prime Minister Narasimha Rao pointed out that despite their previous meetings at Harare, and the earlier message conveyed by Mr. Shaharyar Khan, there was no change in Pakistani policies towards India or on the issue of Jammu and Kashmir.<sup>1</sup> Mr. Narasimha Rao enquired how Mr. Nawaz Sharif could sustain the credibility of his political assurances when they contrasted so sharply with realities on the ground. Mr. Nawaz Sharif responded with the standard Pakistani line that his government was trying to do its best to pull back from confrontationist activities but that Pakistani public opinion and its reflection in certain agencies of the Pakistan Government could not be brought under control so quickly.<sup>2</sup> He reiterated that attempts towards normalisation of relations should continue at the highest political and official levels. Prime Minister Narasimha Rao indicated that he had no objection to contacts being maintained, prospects of good relations would remain uncertain, if not negative, if Pakistan did not change its attitude and activities.

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1. J.N. Dixit, op. cit., p. 117.

2. Ibid, p. 117.

3. Ibid, p. 119.

However, that the Pakistani leaders, regardless of their political affiliations, remained prisoners of an all embracing anti-Indian stance was proved when, within three days of meeting Prime Minister Narasimha Rao, Mr. Nawaz Sharif gave a call for a strike all over Pakistan "to express solidarity with Kashmir."<sup>1</sup> The strike was observed on 5th February with the total support of the Pakistan Government. The very next day, the National Assembly of Pakistan adopted a resolution critical of India on the issue of Kashmir and reiterated support to the Kashmiri separatists. Mr. Nawaz Sharif sent six ministers of his Cabinet to mobilise international opinion against India on the Kashmir issue.<sup>2</sup> The important countries lobbied by Pakistan were Saudi Arabia, Oman, Morocco, Senegal, Cape Verde, Nigeria, Brazil, Ecuador, Venezuela, Malaysia, Indonesia, Egypt and China.

On April, 2, 1992, the Pakistan Prime Minister, in an interview to the Indian newspaper "The Hindu" in Islamabad, said that to break the 40 year stalemate in relations between India and Pakistan, there should be

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1. J.N. Dixit N., op.cit., p. 117.

2. Ibid, p. 117.

"an overhauling of thoughts and policies" in the bilateral relationship.<sup>1</sup> He said that both India and Pakistan sought to "draw lessons" from what had happened elsewhere with the ending of Cold War.<sup>2</sup> This did not seem possible of Pakistan's continued interference in India's internal affairs and support to subversion and terrorism directed against India in the states of Jammu and Kashmir and Punjab. In line with its proclivity to interfere in India's internal affairs, the Pakistani leadership sought to make statements and agitate public opinion in that country on matters such as developments in Ayodhya which was purely an internal affair of India.<sup>3</sup>

On 1st April, 1992, Indian authorities apprehended an official of the Pakistan High Commission, Arshad Ali, for his involvement in espionage activities.<sup>4</sup> He was caught while meeting an Indian official whom he had subverted. The consequence

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1. Asian Recorder, Volume XXXVIII, 1992, p. 22299.
  2. Ibid, p. 22299.
  3. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 21.
  4. J.N. Dixit, op.cit., p. 118.

of India deporting Arshad Ali was that one of the senior officers in the Indian mission in Islamabad, Counsellor Rajesh Mittal, was abducted by Pakistan intelligence agencies just outside his house on 24th May.<sup>1</sup> He was taken to an interrogation centre to violent interrogation techniques including beatings and electric shocks. After his release, Rajesh Mittal was in a physically debilitated condition. He was declared person non grata and asked to leave Pakistan within 48 hours with his family. India lodged a formal protest with the Pakistan High Commission and Foreign Office. The sixth round of Foreign Secretary level talks between India and Pakistan which were scheduled from 1st to 3rd June 1992 had to be postponed.<sup>2</sup>

The dialogue got back on track after the Prime Ministers of the two countries met at Rio de Janeiro on 14th June, 1992, during the course of the Earth Summit.<sup>3</sup> Prime Minister Rao was not keen on this meeting, in the

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1. J.N. Dixit, op. cit., p. 119.
  2. Annual Report, Ministry of External Affairs, New Delhi, 1992-93, p. 21.
  3. Ibid, p. 21.

context of the ground realities of Indo-Pakistan relations, however the officials of the Ministry of External Affairs persuaded him to meet Mr. Nawaz Sharif to ensure that Pakistan did not utilise a refusal from India for publicity and propaganda purposes.<sup>1</sup>

The sixth round of Foreign Secretary level talks were held from 16th to 19th August, 1992, when the two sides.<sup>2</sup>

- (i) Exchanged the Instruments of Ratification on the Agreement on Prevention of Air Space Violations by military air craft and the Agreement on Advance Notice of Military Exercises, Manoeuvres and Troop Movements.
- ii) Signed the Code of Conduct on the treatment of Diplomatic /Consular personnel;
- iii) Issued the Joint Declaration on complete prohibition of chemical weapons;
- iv) Agreed to discuss a joint declaration on biological weapons along the lines of the joint declaration on chemical weapons;

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1. T.N.Dixit, op.cit., p. 120.

2. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 21.



- v) Reaffirmed the agreement, in principle, to convene the Sub Commissions of the India-Pakistan Joint Commission at an appropriate time. It was agreed that, in the meanwhile, senior officials of concerned Ministries (Commerce, Education & Culture and Home) could meet;
- vi) Extended a formal invitation to the Pakistan's Chief of Army Staff (COAS) to visit India, and
- vii) Agreed on a series of meetings at the official level on Siachen at the Defence Secretary level (October/November 1992); on Sir Creek (September 1992), on technical discussions on the issue of missing defence personnel (September/October, 1992) and on India - Pak Committee on Drug Trafficking and Smuggling.

The Pakistan Foreign Secretary during his meeting with the Indian Prime Minister on 17th August, 1992, handed over a letter from the Prime Minister of Pakistan proposing bilateral discussions on Jammu and Kashmir, under Art. 6 of the Simla Agreement.<sup>1</sup> It was

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1. Annual Report, Ministry of External Affairs, New Delhi, 1992-93, p. 22.

conveyed to Pakistan by India that the Simla Agreement cannot be compartmentalized or fragmented under one specific article of the Agreement removed from the context. Prime Minister Rao pointed out that the discussions could be held only if Pakistan fulfilled its obligations to improve bilateral relations and bring about normalcy in interaction between India and Pakistan.<sup>1</sup>

It was ironical that Pakistan so soon after suggesting bilateral talks under Article 6 of the Simla Agreement preferred to raise Kashmir in violation of the Simla Agreement at the international fora, including at the 10th NAM summit at Jakarta and U.N. General Assembly plenary session.<sup>2</sup> The meeting between the two Prime Minister's took place on 3rd September, 1992.<sup>3</sup> For appearance's sake, both the Prime Ministers told the assembled Indian and Pakistani media persons that such contacts in themselves were contributory to tempering the situation and defusing tension, though Prime Minister Narasimha Rao later admitted that he

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1. J.N. Dixit, op.cit., p. 122.

2. Annual Report, Ministry of External Affairs, New Delhi, 1992-93, p. 22.

3. J.N. Dixit, op.cit., p. 122.

considered these meetings with Mr. Nawaz Sharif as being merely cosmetic as no concrete steps followed to improve relations between India and Pakistan.<sup>1</sup>

However, as agreed during the sixth round of Foreign Secretary level talks, the Sixth round of talks on the Siachen issue between the Defence Secretaries of India and Pakistan were held in New Delhi from 2nd to 4th November, 1992.<sup>2</sup> These talks were resumed after a gap of three years. Proposals to carry forward the dialogue from the fifth round of talks aimed at a comprehensive resolution of the Siachen issue were discussed. Three factors prevented the agreement from getting governmental approval from India and Pakistan.<sup>3</sup> First for its part, Pakistan continued to harp on the precondition that India should agree to the line of control notionally being accepted as running north-eastwards from the grid reference point known as NJ-9842. Secondly, Pakistan continued to express reservations about finalising a joint cartographic document which would pinpoint positions from which troops of both countries should pull back. Thirdly, the

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1. J.N.Dixit, op. cit., p. 122.

2. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 22.

3. J.N. Dixit, op.cit., p. 125.

Indian Government had reservations at the political level about approving the agreement reached at that point of time, because of increased levels of Pakistan-sponsored violence in Jammu and Kashmir and also because of the intensity of the hostile diplomatic and publicity activities against India in which Pakistan was engaged.

India-Pakistan relations touched their lowest point after the demolition of the Babri Masjid on 6th December, 1992. The Government of Pakistan took a series of steps which can only be viewed as an attempt to interfere in India's internal affairs. Vituperative statements by leaders of Pakistan at the highest level, resolutions passed by Pakistan National Assembly and Pakistan Senate on the demolition of the Babri Masjid and the decision of Government of Pakistan to officially call for nationwide strike on 8th December 1992 to mark a "day of mourning" were highly regrettable and unacceptable.<sup>1</sup> The situation got further aggravated when the Indian diplomatic premises in Islamabad and Karachi were targets of mob fury on

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1. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 23.

8th December. Mobs ransacked and burnt the residence of the Indian Consul General in Karachi. This was in violation of not only the international norms on the inviolability of diplomatic premises but of the recently signed Code of Conduct between the two countries, under which the receiving Government is to extend protection to diplomatic/ consular property and personnel. In the prevailing circumstances, the Indian Government was forced to evacuate the families of officials in Karachi . Through a unilateral decision on 29th December, 1992, Pakistan asked India to reduce by 31st January, 1993, the strength of the Consulate General in Karachi to 20.<sup>1</sup> The Government of India conveyed to Pakistan that parity of the representation between Indian High Commission in Islamabad and the Pakistan High Commission in New Delhi should be maintained at 110, therefore, Pakistan was asked to withdraw its excess staff from India by 10th February, 1993.<sup>2</sup> It was also conveyed to Pakistan that, henceforth, it would not be allowed to operate temporary visa offices in India and that it was not found possible to

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1. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 23.

2. Ibid, p.23.

accede to its request for use of 'Jinnah House' for its Consulate General in Bombay or as official residence for its Consul General.

India was still recovering from the initial aftershocks of the destruction of the Babri structure in terms of riots and disturbances, when a series of bombs blasts rocked Bombay on 12th March, 1993.<sup>1</sup> Pakistan Prime Minister Mr. Nawaz Sharif indulged in the formality of sending a message of sympathy to the Indian Prime Minister. However, preliminary investigations established, by 17th March, that the blasts were orchestrated by the ISI of Pakistan which utilised Dawood Ibrahim, the Memon family, and their criminal associates to heighten the already tense communal atmosphere in India, born of events in Ayodhya.<sup>2</sup> There was another sinister motive behind the bomb explosions. They were perpetrated in Bombay, the most important centre for economic, commercial, technological and financial activities in India. The

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1. J.N. Dixit., op. cit., p. 127.

2. Ibid, p. 126.

bombs were exploded to coincide with the general timing of the announcement of the Indian budget for the year 1993-94. The objective was to create an impression in the international community that India was prone to violence and instability. Pakistan hoped that the consequence of this strategy would be to reduce investment, technology transfers, and to curtail economic ventures in India by foreign countries and foreign companies. The attempt was to destroy the economic and social fabric of the Indian Republic.

Simultaneously, Pakistan continued to orchestrate the passing of resolutions against India at the Organisation of Islamic Countries (OIC) Foreign Ministers conference, at the United Nations and at various other fora.<sup>1</sup> Despite increasing levels of tension, Prime Minister Narasimha Rao agreed that, wherever possible, routine contacts should be maintained with Pakistan, short of formal bilateral interaction, till the atmosphere improved.<sup>2</sup>

Pakistan's complicity in the planning and execution of the bomb blasts in Bombay resulted in an

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1. J.N. Dixit, op.cit., p. 127.

2. Ibid, p 128.

increased perception of the public in India of Pakistan's designs to interfere in India's internal affairs and to engineer conditions of instability. This issue was firmly taken up by Mr. Narasimha Rao in his meeting with Mr. Nawaz Sharif, the then Prime Minister of Pakistan, in April in Dhaka during the SAARC Summit.<sup>1</sup> Despite this and Pakistani assurances of cooperation in locating, apprehending and returning to India the members of the Memon family, prime suspects in the incident of the bomb blasts in Bombay, there was no positive response from Pakistan. However, while flying back from Dhaka, Prime Minister Rao told the Indian Foreign Secretary that Mr. Nawaz Sharif had shown a willingness to revive the Foreign Secretary level dialogue and that he should follow it up.<sup>2</sup>

The internal situation changed in Pakistan in the latter half of April, 1993, when President Ghulam Ishaq Khan dissolved the National Assembly and dismissed Mr. Nawaz Sharif on 18th April soon after the latter's return from the SAARC meeting in Dhaka.<sup>3</sup> Elections were held in September-October 1993, Ms Benazir

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1. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 7.

2. J.N. Dixit, op.cit., p. 128.

3. Ibid, p. 128.



Bhutto emerged victorious as the Prime Minister. The interim period between Nawaz Sharif's final ouster in 1993 and Benazir's return was comparatively calm, with Pakistan having an acting Prime Minister Mr Moin Qureshi, the former High Commissioner to India, and former Foreign Secretary of Pakistan, Mr Abdus Sattar, became Foreign Minister in this regime.<sup>1</sup>

In the meantime, on 15th August, 1993, Prime Minister Mr P.V. Narasimha Rao sent a stern warning to Pakistan over Kashmir.<sup>2</sup> He said that Islamabad should recognise that the accession of Kashmir to India was final and expressed the hope that the new government which would come to power in that country after the forthcoming elections would be more realistic in its approach and that would pave the way for long-lasting friendship with India. Acting Prime Minister of Pakistan Moeen Qureshi ruled out an improvement in the Indo-Pak dialogue unless the situation in Kashmir improves because "the present state of Pakistan-India relations were not a happy one, in the main because of Kashmir."<sup>3</sup>

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1. J.N. Dixit, op. cit., p. 128.
  2. Asian Recorder, Volume XXXIX, 1993, pp. 23377.
  3. Ibid, p. 23435.

Pakistan indulged in a spate of false propaganda in a reaction to the incident at Hazratbal, where a group of militants took shelter in the holy Hazratbal mosque and the Indian army had to lay a siege there which lasted from 17th October to 16th November, 1993.<sup>1</sup> This false propaganda was done by Pakistan with a view to arousing communal feelings and further encouraging extremist elements. Pakistan made efforts, earlier, to introduce a resolution on the human rights situation in Jammu & Kashmir at the Third Committee of the U.N. General Assembly Session which did not fructify.<sup>2</sup>

Despite this, as per the direction of the Indian Prime Minister, the Indian Foreign Secretary met the Pakistan Foreign Secretary, during the Commonwealth Summit at Cyprus, and he agreed to resume Foreign Secretary level talks in January, 1994.<sup>3</sup> The seventh round of Foreign Secretary level talks between India and Pakistan took place in Islamabad from 1st to 3rd January, 1994.<sup>4</sup> In his congratulatory message to

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1. J.N. Dixit, op.cit., p. 130.
  2. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 8.
  3. J.N. Dixit, op. cit., p. 129.
  4. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 8.

to Pakistan Prime Minister, Mrs. Benazir Bhutto, the Indian Prime Minister had indicated that India would be willing to discuss all issues relating to Jammu and Kashmir within the framework of the Shimla Agreement.<sup>1</sup> She welcomed the information conveyed by Prime Minister Narasimha Rao that India was willing to discuss issues related to Kashmir.<sup>2</sup> Mr Shaharyar Khan, the Pakistan Foreign Secretary, welcomed the approach but pointed out that Pakistan was firmly supportive of the right of Kashmiris for self-determination and that any discussion on Kashmir had to take this factor into account and stressed that progress on other subjects such as Siachen, Sir Creek, determining the maritime boundary and reviving meetings of the Indo-Pakistan Joint Commission for Economic Cooperation, could be made only after some move forward on the part of India on the Kashmir issue.<sup>3</sup> Replying to the Pakistani views, the Indian Foreign Secretary told Mr. Shahryar Khan that he had brought six working papers containing proposals to normalise relations between India and Pakistan and that he had orders to hand them over to

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1. J.N, Dixit, op. cit., p. 130.

2. Ibid, p. 131.

3. Ibid, pp. 130.

the Pakistani authorities.<sup>1</sup> Mr. Shaharyar Khan, the Pakistan Foreign Secretary, on 3rd January, 1994, told the Indian Foreign Secretary, Mr. J.N. Dixit, that he had instructions not to receive any proposal from the Government of India at that time.<sup>2</sup> He added that India had to agree to three preconditions before the proposals could be considered. First, it should remove the security forces surrounding the Hazratbal shrine where the terrorists were ensconced. Second, it should reduce the overall size of its security forces in Kashmir, and third, it should be willing to discuss the modalities for a compromise on the future status of Kashmir, taking into account Pakistani concerns and the views of Kashmiri Muslims.<sup>3</sup> Earlier, he had told Mr. Dixit, that despite what Ms Benazir Bhutto had conveyed to him, she was on the defensive as far as domestic politics in Pakistan was concerned, as she was being accused of being soft towards India by allowing Foreign Secretary level talks to take place, specially when Indian security forces had surrounded the Hazratbal

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1. J.N. Dixit, , op. cit. pp. 130-131.

2. Ibid, p. 132.

3. Ibid, p. 132.

shrine and were engaged in intensive operations against Kashmiri militants.<sup>1</sup> The Indian Foreign Secretary told his Pakistani counterpart that he felt all the three preconditions were impracticable.<sup>2</sup>

Pakistan then indulged in a clever diplomatic and publicity act. Its government sent two proposals for confidence building measures on 18th January, 1994.<sup>3</sup> The first proposal suggested detailed modalities for the holding of a plebiscite in Jammu and Kashmir within the framework of the U.N. resolutions, and the second proposal detailed measures required to create an appropriate climate for the peaceful resolution of the Jammu and Kashmir dispute and other issues. Both were patently impracticable proposals without any relevance to political realities.

India on its part, on January 24, 1994, conveyed to Pakistan proposals on six subjects, as part of a normal practical approach intended to be adopted in the bilateral field.<sup>4</sup> The subjects covered by the proposals

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1. M.N. Dixit, op. cit., p. 131.

2. Ibid, p. 132.

3. Ibid, p. 133.

4. Asian Recorder, Volume XXXX, 1994, p. 23744.

were Siachen, stabilisation of the line of control in Jammu and Kashmir, confidence building measures in the nuclear field, Sir Creek and delimitation of the maritime boundary, Tulbul navigation project and activation of the committees, set up within the framework of the Joint Commission in July 1989 at Islamabad. The proposals were as follows:

- (i) As regards Siachen , India conveyed its willingness to accept the agreement reached in 1992. Under it both sides were to disengage from authenticated positions held at that time and leave the delimitation of the Line of Control beyond NJ 9842 to a joint commission. The immediate objective was to ensure peace and tranquility in the area without prejudice to each other's positions.
- (ii) The most comprehensive was the proposal on maintaining peace and tranquillity along the line of control in Jammu and Kashmir. It was virtually a full fledged draft agreement, with its ten clauses dealing with all aspects - violation of the line, trans border infiltration and the like.

- (iii) The Sir Creek imbroglio was sought to be resolved by separating its two components - the border on the ground, which could be resolved later, and maritime boundary for which a detailed formula had been spelt out.
- (iv) As regards confidence building measures in the nuclear field, India could not compromise on its opposition to the nuclear Non proliferation Treaty nor accept the proposal for a five nation conference for a nuclear free South Asia. Subject to these reservations, India offered non-proliferation steps in the bilateral mentioned context- in keeping with the concerns/during its dialogues with industrialised countries.<sup>1</sup>
- (v) There was a proposal to finalise the agreement on the Tulbul navigation project.<sup>2</sup>
- (vi) There were suggestions for reviving activities of the Indo-Pakistani Joint Commission for Mutual Cooperation covering a wide field of activities.<sup>3</sup>

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1. Asian Recorder, Volume XXXX, <sup>1994,</sup> pp. 23744, 23745.  
2. J.N. Dixit, op.cit., p. 134.  
3. Ibid, p. 134.

India and Pakistan rejected each other's proposals and, thus, were back to square one.

Pakistan's campaign to internationalise and communalise the Kashmir issue continued. At the 50th session of the U.N. Human Rights Commission in March 1994, Pakistan had decided to move a resolution on the Human Rights situation in Jammu and Kashmir and aggressively campaigned for support but, subsequently, withdrew its resolution at the behest of a number of friendly countries.<sup>1</sup> At the 49th session of the U.N. General Assembly, Pakistan made yet another attempt to table a resolution.<sup>2</sup> However, this attempt also failed. Pakistan Prime Minister Benazir Bhutto said, on 8th May, 1994, her country would not give up its support to the Kashmiris for the sake of friendship with India.<sup>3</sup> She blamed what she called emerging Hindu fundamentalism in India for the deadlock between the two countries and was preventing a meaningful dialogue on Kashmir. She, also, reiterated her country's

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 10.
  2. Ibid, p. 10.
  3. Asian Recorder, Volume XXXX, 1994, p. 22395.



insistence that a third country should mediate if India and Pakistan failed to resolve the Kashmir issue through negotiations.<sup>1</sup> However, she ruled out a plebiscite for an independent Kashmir because Islamabad could lose it.<sup>2</sup> But she ruled out that a war could solve the Kashmir dispute and insisted that the issue could only be resolved through peaceful means in accordance with international laws.<sup>3</sup>

In the face of Pakistan's campaign of Jammu and Kashmir issue, India apprised the international community of the politically motivated act by Pakistan, and emphasized that all outstanding issues between the two countries needed to be resolved peacefully and bilaterally within the framework of the Simla Agreement. India attacked Pakistan's poor human rights record involving its citizens while rejecting Islamabad's accusations of human rights violations in Jammu and Kashmir. On 30th November 1994, the counter attack was delivered by, former Minister of External Affairs, Mr. I.K. Gujral in Human Rights Committee.<sup>4</sup> Mr.

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1. Asian Recorder, Volume XXXX, 1994, p. 23995.
  2. Ibid, p. 24025.
  3. Ibid, p. 24105
  4. Ibid, p. 24466.

Gujral termed Pakistan's attempt to raise the Kashmir issue in the U.N. General Assembly as the theatre of the absurd, and that aspersions against India's human rights record were unwarranted in as much as Pakistan was by no means a paragon of perfection when Christians and Ahmadis were being treated as second and third class citizens.<sup>1</sup>

Continuing with its hardened stand against India, Pakistan persisted with its restrictive visa policy and other negative measures which further impeded people to people contacts between the two countries. On 17th March, 1994, Pakistan, unilaterally and without justification, announced the closure of its Consulate in Bombay.<sup>2</sup> Subsequently, on 26th December 1994, Pakistan asked the Government of India to close down the Indian Consulate General in Karachi.<sup>3</sup>

Despite these strains, consistent with her policy to resolve differences with Pakistan bilaterally and peacefully in accordance with the Simla Agreement, the

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1. Asian Recorder, Volume XXXX, 1994, p. 24466.
  2. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 9.
  3. Ibid, pp. 9-10.

Indian Government conveyed to Pakistan on several occasions, in 1994, India's readiness for the resumption of bilateral dialogue without any pre-conditions.<sup>1</sup> On 21st March, 1994, the Indian Foreign Secretary renewed the offer for the resumption of Foreign Secretary level talks, on 31st July 1994, the Minister of State for External Affairs, Mr R.L. Bhatia reiterated the offer of a dialogue, which was followed by a letter from the Foreign Secretary to his Pakistani counterpart, and during the Indian Foreign Secretary's visit to Islamabad from 22 to 24 November, 1994, to attend the Commonwealth Senior Officials Meeting (COSM) he conveyed the Indian Government's readiness to discuss all bilateral issues.<sup>2</sup> But a Pakistani Foreign Office, spokesman rejected the offer for bilateral talks and said : "India's actions in Kashmir do not create confidence that it is prepared to conduct sincere and meaningful talks to achieve just and equitable solution to the Kashmir dispute."<sup>3</sup> Earlier, the Government of India proposed, on 7th April, 1994, and on 12th July 1994, to Pakistan that consultations between the two

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1. Annual Report, Ministry of External Affairs, 1995-96, New Delhi, p. 9.
  2. Ibid, p. 9.
  3. Asian Recorder, Volume XXXX, 1994, p. 24440.

Foreign Offices may be held for a review of the implementation of the Code of Conduct for treatment of Diplomatic / Consular personnel in India and Pakistan, in the light of numerous incidents of intimidatory surveillance and harassment meted out to the Indian Diplomatic Officials and their family members posted in Indian Missions in Pakistan, however, this proposal did not find favour with Islamabad.<sup>1</sup> The only positive agreement was a pact with Pakistan against drug trafficking wherein, it was agreed to establish contact points on both sides of the border and to exchange addresses of the officers who would be field level contacts in carrying out anti-drug trafficking operations.<sup>2</sup>

Pakistan continued the sponsorship of transborder terrorism in India which included political, diplomatic and material assistance to terrorist groups in Jammu and Kashmir. Pakistan and third country mercenaries continued to be inducted into the Indian state of Jammu and Kashmir for carrying

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 9.
  2. Asian Recorder, Volume XXXX, 1994, p. 24290.

out terrorist and subversive activities. Pakistan's involvement was highlighted by the Charar-e-Sharif incident in May 1995, in which Pakistan sponsored terrorists and foreign mercenaries were involved.<sup>1</sup> The hitherto unknown Al-Faran terrorist group, responsible for kidnapping of foreign tourists, demanded the release of imprisoned members of Harkat-ul-Ansar, a terrorist organisation having headquarters in Pakistan.<sup>2</sup>

The Indian Government strongly urged Pakistan to give up its path of promoting and supporting terrorism and conduct inter-state relations as a responsible member of the international community. Prime Minister P.V. Narasimha Rao in his address to the 11th Non-Aligned Summit on 18th November, 1995, at Cartagena Colombia, stated that the sufferings of the people of Jammu and Kashmir originated from outside support for terrorism.<sup>3</sup> Even, the United States acknowledged Pakistan's hand in Kashmir. The U.S. Assistant Secretary of State, Ms. Robin Raphel, admitted that

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1. Annual Report, Ministry of External Affairs, 1995-96, New Delhi, p. 7.
  2. Ibid, p. 7.
  3. Ibid, p. 7.

Islamabad was indeed assisting militants in Kashmir, testifying before the House International Relations Sub-Committee on Asia and the Pacific.<sup>1</sup>

The Indian Government resisted Pakistani moves to internationalise the Kashmir issue. It was reiterated from all relevant international platforms that the State of Jammu and Kashmir is an integral part of the Indian Union. The Prime Minister of India, in his address to the 11th Non-Aligned Summit on 18th November, 1995, stated that the State of Jammu and Kashmir is an integral part of India and that Pakistan's illegal occupation of a part of this state has to be vacated.<sup>2</sup> Earlier, even, the British Foreign Secretary, Mr. Douglas Hurd had rejected Islamabad's stand that the U.N. resolutions for a referendum in Kashmir provide a basis for settlement of the territorial dispute.<sup>3</sup> He said that it can be solved only by looking at the realities and moving forward, and since the time of the U.N. resolutions there has been the Simla Agreement between India and Pakistan<sup>4</sup>.

1. Asian Recorder, Volume XXXXI, 1995, p. 24634.
2. Annual Report, Ministry of External Affairs, 1995-96, New Delhi, p. 8.
3. Asian Recorder, Volume XXXXI, 1995, p. 24551.
4. Ibid, p. 24551.

Meanwhile, the Pakistani Prime Minister Ms. Behazir Bhutto, even, threatened of a third war between India and Pakistan "if India continues to ignore the Kashmiri's right to self-determination."<sup>1</sup> The U.S., also, officially ruled out the possibility of a plebiscite to settle the Kashmir issue, it was reported from Washington, December 7, 1995.<sup>2</sup>

The downward trend in Indo-Pak relations continued further, when Pakistan rejected the list of Indian nuclear installations and other facilities, provided by the Indian High Commissioner as a confidence building measure, on January 2, 1996, giving the reason that the Indian list was not complete as it did not speak about its nuclear facilities and the centre situated in Rajasthan where India, according to Pakistanis, was planning to conduct another nuclear test.<sup>3</sup> Meanwhile, India also rebuffed Pakistan's efforts to project CTBT and the issue of nuclear non proliferation as bilateral issues, saying that the nuclear non-proliferation issue and CTBT are global

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1. Asian Recorder, Volume XXXXI, 1995, p. 24551.
  2. Asian Recorder, Volume XXXXII, 1996, p. 25312.  
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  3. Asian Recorder, Volume XXXXII, /p. 25383.

issues.<sup>1</sup> On the other hand, Pakistan continued to pursue its nuclear weapons oriented programme, its clandestine procurement of material for this purpose and its acquisition of sophisticated weapons and arms technology far beyond its legitimate defence requirements. The curtain of ambiguity about the intentions and purpose of Pakistan's nuclear programme fell off with the former Prime Minister of Pakistan. Mr. Nawaz Sharif publicly acknowledging on 23 August, 1994 about the possession of an atomic bomb by Pakistan.<sup>2</sup>

Overall, Indo-Pak relations during the Narasimha Rao Government continued to show a downward trend, Pakistan's sustained efforts to internationalise the Kashmir issue, its unabated support to subversion and terrorism directed against India, its intransigence on the issue of resumption of a bilateral dialogue with India and its persistent negative approach vitiated the atmosphere and prevented any meaningful progress in bilateral relations.

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1. Asian Recorder, Volume XXXX, 1994, p. 25427.

2. Annual Report, Ministry of External Affairs, New Delhi,



INDO-SRI LANKA RELATIONS

Former Prime Minister V.P. Singh's decision to withdraw the Indian Peace Keeping Force (IPKF) from Sri Lanka had brought about a sense of calm in Indo-Sri Lankan relations, since early 1990. However, the return of the Congress Government to power in India in June 1991 was viewed by Mr Rana Singhe Premadasa, President of Sri Lanka, with some anxiety and concern.

Despite the withdrawal of the Indian Peace Keeping Force (IPKF), and despite on-again and off-again negotiations with the Liberation of Tamil Tigers Eelam (LTTE) being undertaken by President Premadasa, the ethnic problem continued to be an albatross around the neck of Indo-Sri Lankan relations. Prime Minister Rao outlined this approach to relations between the two countries on the following lines:<sup>1</sup>

1. India continued to be supportive of legitimate political, social and cultural aspirations of the Tamils.
  2. India, however, opposed the LTTE's violent and terrorist methods to achieve these aspirations.
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1. J.N. Dixit, , My South Block Years : Memoirs of a Foreign Secretary, New Delhi, 1996, pp. 96-97.

3. India would be supportive of initiatives aimed at resolving the crisis in Sri Lanka through political dialogue.
4. India did not desire to take any active part in resolving the problems of Sri Lanka which would have to be resolved by Sri Lankans, regardless of whether they are Sinhalese or Tamils.
5. Apart from these specific aspects of Indo-Sri Lankan relations, India would try to build up bilateral relations and cooperation in the political, economic and cultural spheres with Sri Lanka. The extent of the cooperation was to depend on what Sri Lanka desired.
6. India was opposed to any secessionist or terrorist group operating from its territory against any of its neighbours. The Government of India and the Government of Tamil Nadu would ensure, to the extent possible, that the LTTE does not have bases or sanctuaries in India.

Further, Mr. Narasimha Rao held the opinion that while he was fully aware of the political background, mind-set and attitude of President

Premadasa towards India and the Tamils, the Indian objective should be to establish a practical working relationship with the Sri Lankan Government.<sup>1</sup>

Along with India's sincere interest and concern in a peaceful resolution of the ethnic issue in Sri Lanka which meets the broad aspirations of the Tamils continued, at the same time India was equally committed to develop bilateral relations with Sri Lanka in their widest sense, particularly in commercial, economic, industrial, scientific, technical and cultural fields. It was against this background that both India and Sri Lanka signed an agreement in July 1991 during the visit of Sri Lanka Foreign Minister, Mr. Harold Herat.<sup>2</sup> A cultural exchange programme was signed between the two countries for the years 1992-1994.

The first session of the Indo-Sri Lanka Joint Commission was held in Delhi on 6 and 7 January, 1992.<sup>3</sup> The Joint Commission gave directions for future bilateral cooperation, and further agreed to set up a

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1. J.N. Dixit, Op. cit., p. 97.

2. Annual Report, Ministry of External Affairs, 1991-92, New Delhi, p. 4.

3. Ibid, p. 4.

Sub-Commission on Science and Technology.

The President of Sri Lanka, Mr. Ranasinghe Premadasa, came to India from 1st to 3rd Oct. 1992 in his capacity as Chairman of the Sixth SAARC Summit.<sup>1</sup> The visit also served as a State visit in view of the fact that this was his first visit to India as President of Sri Lanka. The President of Sri Lanka and India's Prime Minister confirmed the validity of SAARC as a forum for enhancing interaction among countries of the region. Issues of common interest to SAARC countries, discussed during the visit included poverty alleviation, SAARC Preferential Trading Arrangement (SAPTA), cooperation to combat terrorism, the problems of children, the welfare of disabled persons and the possibility of establishing a South Asian Development Fund.<sup>2</sup>

The two sides expressed satisfaction over the on-going return of Sri Lankan refugees from India to their country and agreed to continue the cooperation to ensure an early return of these refugees. Regarding

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1. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 19.
  2. India-Sri Lanka Joint Press Statement, Foreign Affairs Record, New Delhi, Volume XXXVIII, No.10, 1992, pp. 308-310.

problems faced by fishermen from both the countries straying into each others waters, the two sides agreed to deal with such cases in a spirit of mutual accomodation and understanding and to initiate discussions on the subject at the level of senior officials.<sup>1</sup>

On the ethnic question in Sri Lanka , India reiterated her considered and consistent view that the legitimate aspirations of the Tamil community should be fulfilled within the framework of a united Sri Lanka through negotiations involving all parties , which have eschewed violence. The President of Sri Lanka stressed his Government's commitment to devise a peaceful negotiated settlement involving all the parties concerned, however, he insisted that the operations by the security forces, which were necessary for the protection of innocent civilians would continue.<sup>2</sup>

President Premadasa, despite his professions of goodwill towards India, did not seem to miss any opportunity to embarass India. The Dhaka SAARC summit

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1. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 19.
  2. India-Sri Lanka Joint Press Statement, Foreign Affairs Record, Vol. XXXVII, No.10, New Delhi, 1992, pp. 309-310.

was postponed in December 1992 due to the destruction of the Babri Structure. The only heads of government who insisted on coming to Dhaka to pay lip service to holding SAARC summit were Mr. Nawaz Sharif of Pakistan and Mr. Premadasa of Sri Lanka.<sup>1</sup>

Towards the end of 1992 and in early 1993, LTTE violence increased on the island nation, with the Sri Lankan forces suffering massive setbacks. Though India was not directly or formally approached for assistance, informal signals reached the then Indian Foreign Secretary querying what India's reactions would be if Sri Lanka did request for renewed assistance from the armed forces to counter the LTTE and the message that was sent back was that the question of India getting entangled in Sri Lankan affairs again did not arise.<sup>2</sup>

The assassination of President Premadasa of Sri Lanka on 1st May, 1993 led to the coming of a new government in Sri Lanka under President D.B. Wijetunga who shared India's desire to continue the process of further strengthening the friendly relations between the two countries.<sup>3</sup> The new Prime Minister of Sri

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1. J.N. Dixit, .. op.cit., p. 98.

2. Ibid, p. 98.

3. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 5.

Lanka, Mr. Ranil Wickremesinghe, visited India in June 1993 for interaction at the highest level.<sup>1</sup> The Sri Lankan Prime Minister conveyed to the Indian Prime Minister and other Indian leaders his Government's desire to further expand bilateral co-operation for mutual benefit in various areas. The Indian Prime Minister, Mr. Rao conveyed to the Sri Lankan Prime Minister that India fully favoured the strengthening of economic and commercial cooperation between the two countries.<sup>2</sup> It was agreed to hold the second session of the Indo-Sri Lanka Joint Commission co-chaired by the Foreign Ministers to identify further possibilities of cooperation. On the ethnic crisis, India continued to favour a peaceful solution to the ethnic crisis in Sri Lanka within the framework of the unity, sovereignty and territorial integrity of Sri Lanka, through negotiations involving all those parties which have eschewed the path of violence.

In August 1994, Mrs Chandrika Bandarnaike Kumartunga assumed the reins of the government in Sri

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1. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 5.

2. Ibid, p. 5.

Lanka.<sup>1</sup> In the run up to the Presidential elections, the tragic assassination of the Presidential candidate Gamini Dissanayake occurred. In a response to a request from the Sri Lankan Government, India offered the assistance of forensic and ballistic experts in the investigation of the assassination and requested Sri Lanka to indicate specific aspects on which such assistance was required.<sup>2</sup>

Political dialogue with the new Sri Lanka Government began with the visit of the Sri Lankan Foreign Minister, Mr. Lakshman Kadirgamar to India from 6th to 10th October, 1994, during which he called on the President, the Prime Minister, the Speaker of Lok Sabha, the Commerce Minister and the Leader of Opposition and held official talks with the Minister of State for External Affairs, Shri R.D. Bhatia.<sup>3</sup> Mr. Kadirgamar briefed the Indian leadership about the Sri Lankan Government's agenda including the peace process, constitutional reforms and economic policies. The Government of India wished the Sri Lankan Government success in its efforts. It was reiterated that India

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 6.
  2. Ibid, p. 6.
  3. Ibid, p. 6.



has always stood for a peaceful political settlement of the ethnic issue and was watching developments with close interest.

Mr. Kadirgamar stressed Sri Lanka's keenness for sound and cordial relations with India and was informed that the Government of India fully reciprocated these sentiments.<sup>1</sup> It was agreed that matters such as the security of Indian fishermen and the release of boats of Sri Lankan refugees should be resolved early. Earlier, the Government of India had strongly conveyed its concerns to the Government of Sri Lanka in the wake of reports of attacks on Indian fisherman in the Palk Straits in September/October 1993 and the proclamation by Sri Lanka Government in September 1993 of a "Prohibited Zone" in Sri Lankan territorial waters.<sup>2</sup> There was a particular emphasis during the discussions, that took place on Foreign Minister Kadirgamar's visit, upon the need to strengthen and diversify bilateral economic cooperation.

Earlier in April 1994, the Indo-Sri Lanka Joint Commission had held its second session in New Delhi.<sup>3</sup>

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 6.
  2. Ibid, 1993-94, p. 6.
  3. Ibid, 1994-95, p. 7.

It decided on several measures to consolidate, diversify and strengthen bilateral relations in a wide variety of areas. Decisions taken in pursuance of the Joint Commission meeting included: restoration of preferential tariff margins on Sri Lankan cloves; reduction in tariffs on select items of export interest to Sri Lanka such as ceramic tiles, glycerine, graphite and rubber; extension of a new line of dollar denominated credit; permission to Bank of Ceylon to open a branch in Madras; and enhanced seat capacity for airlines following civil aviation talks in July 1994.<sup>1</sup> India's interest in broadening economic relations with Sri Lanka resulted in two delegations from the Confederation of Indian Industries visiting Sri Lanka in March and October, 1994.<sup>2</sup> A joint task force was set up to identify and follow up implementation of specific proposals.

In March 1992, after a lapse of 11 years, the Indo-Sri Lanka Joint Business Council met in Delhi.<sup>3</sup> The Joint Business Council met in Colombo in March 1993.<sup>4</sup> Among notable bilateral proposals and exchanges were

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p.7
  2. Ibid, p. 7.
  3. Ibid, 1992-93, p. 19
  4. Ibid, 1992-93, p. 6.

the visits by the Chairman and other officials from National Dairy Development Board to Colombo for cooperation in dairy development sector; official level discussions on civil aviation matters and on cooperation in the tea sector, visit of a team of experts to Sri Lanka to prepare a blue print for the proposed, setting up of an Institute of Technology and Management in Sri Lanka; gifting of Radiosonde equipment to Sri Lanka ; and setting up of a joint venture in Sri Lanka for the manufacture of automotive tyres.<sup>1</sup> The Indo-Sri Lanka Joint Business Council, which met in Madras in June 1995,<sup>2</sup> it examined all possibilities of attracting greater Indian investments into Sri Lanka as well as expanding trade.<sup>2</sup>

Friendly ties were cemented through the visits of the Sri Lankan President to India in March and May, 1995.<sup>3</sup> India continued to favour a peaceful solution to the ethnic crisis in Sri Lanka within a framework of sovereignty and territorial integrity of Sri Lanka, without outside interference and through negotiations. The Government of India welcomed the proposals for devolution of power announced by President Kumartunga

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1. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p.6.
  2. Ibid, 1995-96, p. 6.
  3. Ibid., p. 6.

in August 1995, and stated that these devolution proposals constituted a bold attempt to resolve the ethnic issue and deserve the most serious consideration of all concerned.<sup>1</sup>

Problems pertaining to fishermen from both countries straying to each other's territorial waters and related issues were discussed during the Sri Lankan Foreign Minister's visit and again during the visit of the Sri Lankan President to India. During the External Affairs Minister's meeting with President Kumartunga in March 1995, there was an agreement on the need for a mechanism which would enable both sides to consult with each other and avoid incidents of violent actions.<sup>2</sup>

After the initial years of the Narasimha Rao Government, Indo-Sri Lanka relations improved with the coming to power of Mrs. Kumartunga, despite the ethnic crisis in Sri Lanka.

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1. Annual Report, Ministry of External Affairs,  
New Delhi, 1995, p. 4.

2. Ibid, p. 6.

INDO-BANGLADESH RELATIONS

The advent of a democratic regime in Bangladesh in 1991 was a response to the frustrations of Bangladeshis engendered by the successive military and semi-military regimes which were in power in that country from 1975 to 1991. The change in government was, however, not indicative of any major shift in Bangladesh's tense perceptions about India, with resulting undercurrents of suspicion and hostility. By 1991, Bangladesh had established not just close political, but also economic and defence, relationship with Pakistan and even in international fora such as SAARC and the United Nations, Bangladesh was functioning in tandem with Pakistan on issues affecting India.

Dominant issues making a negative impact on Indo-Bangladesh relations in 1991 were : (1) the delay in providing the Teen Bigha corridor to Bangladesh; (2) the longstanding dispute over sharing of the Ganga waters between India and Bangladesh during the lean season; (3) delineation of the maritime boundary between India and Bangladesh, (4) determining the jurisdiction

over the New Moore Islands in the Bay of Bengal; and (5) the problem of large scale illegal migration from Bangladesh into India. There were also other factors related to the economic issues. Bangladesh assumed the chairmanship of SAARC from Sri Lanka in 1991. This added another dimension of subterranean criticality to Indo-Bangladesh relations, as Bangladesh was not averse to using SAARC as an instrument to pressurise India.

By February - March 1992, senior officials from Bangladesh were in touch with the Indian Foreign Secretary indicating that Begum Zia would be willing to visit Delhi if the Teen Bigha issue were settled.<sup>1</sup> Prime Minister Narasimha Rao wanted the matter to be solved not only in terms of India's commitments but also as a signal to Begum Zia that India wished to develop Indo-Bangladesh relations on positive lines despite some difficult issues affecting them. The Indian Prime Minister directed that the Ministry of External Affairs must do everything possible to fulfil India's commitments to Bangladesh regarding Teen Bigha.<sup>2</sup> Earlier, the meeting of the Indian Prime Minister with

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1. J.N.Dixit, My South Block Years: Memoirs of a Foreign Secretary, New Delhi, 1996, p. 157.

2. Ibid, p. 156.

the Prime Minister of Bangladesh, Begum Khaleda Zia, at Harare during the Commonwealth Heads of Government Meeting in October, 1991 had lent further momentum to India's relations with Bangladesh.<sup>1</sup> Bangladesh's Foreign Minister had paid an official visit to India in August 1991 at the invitation of the Minister for External Affairs.<sup>2</sup> Wide-ranging discussions were held on bilateral issues and both sides agreed to further strengthen their relations by removing immediately some of the outstanding irritants through dialogue and by adopting a fresh approach for enhancing economic cooperation. A Credit Agreement and an Avoidance of Double Taxation Agreement were also signed.<sup>3</sup>

An understanding on the Teén Bigha issue paved the way for the visit of Begum Khaleda Zia, Prime Minister of Bangladesh, to India in May.<sup>4</sup> It was decided that (i) the Indian Flag would fly at the checkpoints at both ends of the corridor; (ii) Indian security personnel would be located at both ends of the

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1. Annual Report, Ministry of External Affairs, 1991-92, New Delhi, p. 3.
  2. Ibid, p. 3.
  3. Ibid, p. 3
  4. Ibid, 1992-93, p. 16.

corridor;(iii) and these personnel, in cooperation with their Bangladesh counterparts, would carry out spot checks on traffic passing through the Teen Bigha corridor to the enclave.<sup>1</sup>

The Prime Minister of Bangladesh, Begum Zia, visited India from 26 to 28 May, 1992, her first state visit to a SAARC country since her assumption of power in 1991.<sup>2</sup> The following three accords were signed during this visit.

- a) Memorandum of Understanding on the Exchange of plots for the construction of Chancerly and Residential building.
- b) A Cultural and Academic Exchange Agreement.
- c) Exchange of Instruments of Ratification for the Agreement on the Avoidance of Double Taxation.<sup>3</sup>

Speaking in honour of the Bangladesh Prime Minister Begum Zia, the Indian Prime Minister called for an atmosphere of cordiality, trust and understanding between India and Bangladesh, expressing the hope that once such an atmosphere was created the

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1. J.N.Dixit, op.cit, p. 157.
  2. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 17.
  3. Ibid, p. 17.



resolution of most, if not all, of the bilateral problems should become easier.<sup>1</sup> On 28th May, 1992 an India-Bangladesh Joint Communique was issued on the conclusion of the three day state visit to India by the Bangladesh Prime Minister Begum Zia.<sup>2</sup> The two Prime Ministers reiterated their belief that SAARC represents the faith and aspiration of the countries of South Asia to enhance regional cooperation in the interest of greater understanding and well being of the people of the region.<sup>3</sup> Towards this end, they felt that further momentum should be given to SAARC activities. The two leaders expressed their determination to further consolidate the friendly, harmonious and good neighbourly relations between Bangladesh and India, in the larger interest of the peoples of the two countries and of peace and stability in the region.<sup>4</sup> They agreed that an equitable long term and comprehensive arrangement for sharing the flows of these and other major rivers evolved through mutual discussions would serve the best interest of the people of the two countries.<sup>5</sup> The Prime Minister of India

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1. Foreign Affairs Record, Volume XXXVIII, No.5, New Delhi, 1992, p. 174.

2. Ibid, pp. 174-176.

3. Ibid, p. 175.

4. Ibid, p. 175.

5. Ibid, pp. 175-176.

assured that every possible effort will be made to avoid undue hardship to Bangladesh by sharing the flows in Ganga /Ganges at Farakka on an equitable basis.<sup>1</sup> The two Prime Ministers agreed to arrange speedy repatriation of all Chakma refugees to Bangladesh in full safety and security, in this context, the Bangladesh side agreed to set up a representative political level committee that would encourage the refugees to return.<sup>2</sup> They expressed their determination to stop illegal movement of people across the border by all possible means including strengthening of existing arrangements and mutual cooperation in this regard.<sup>3</sup> The two Prime Ministers also directed that special focus should be placed on increasing and diversifying trade and economic cooperation between the two countries.<sup>4</sup>

Less than a month later, the Teen Bigha issue was satisfactorily resolved. The Corridor was finally leased to Bangladesh and opened for use by Bangladeshi passengers and vehicular traffic on 26th June, 1992.<sup>5</sup>

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1. Foreign Affairs Record, Vol.XXXVIII, No.5, New Delhi, 1992, p.174.
  2. Ibid, p. 176.
  3. Ibid, p. 176.
  4. Ibid, p. 176.
  5. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 17.

While implementing Teen Bigha Agreement, Governments have ensured, to their full satisfaction, that the interests of local residents are adequately protected. The historic and legal right to movement of Indian nationals will remain unaffected, except to the extent indicated by the requirements of traffic safety. Kuchlibari area will continue to remain fully linked with Mekhliganj as heretofore. The Teen Bigha corridor remains an integral part of India where India's sovereignty and applicability of its laws and the reach of its administration remain unchanged.<sup>1</sup>

India and Bangladesh continued to resolve other outstanding bilateral matters such as the equitable sharing of the waters of the major rivers and the repatriation of Chakma refugees to Bangladesh . The first secretary level joint Committee of Experts (JCE) met in New Delhi to devise a long term settlement including an interim arrangement of the flows of Ganga and Teesta during the dry season.<sup>2</sup> So far as the repatriation of Chakma refugees was concerned, a

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1. Foreign Affairs Record, Volume XXXVIII, No.6, New Dehli, 1992, pp.234-235.
  2. Annual Report, Ministry of External Affairs, 1992-93, New Dehi, p. 17.

political level committee was set up by the Government of Bangladesh in July 1992, as stipulated in the Indo-Bangladesh Joint Communique of May 1992 to encourage Chakma refugees to return to Bangladesh and for finding out a political solution to the Chakma problem.<sup>1</sup> Unfortunately, there were some setbacks following the controversy with regard to the steps to push back illegal Bangladeshi illegal migrants and the resistance by Bangladesh not to accept them.

Bilateral relations came under further strains due to violent reactions in Bangladesh to the Ayodhya incident. In widespread violence, the Indian diplomatic premises in Dhaka came under attack; the High Commission Library and the Indian Airlines office were set on fire. Scores of places of worship, commercial establishments and houses of the minority community in Bangladesh were damaged and burnt. India expressed her concern in this regard to the Government of Bangladesh, as also the hope that the countries of South Asia would join together in opposing communal forces and would not allow these forces to retard the process of bilateral and regional cooperation. Anti Hindu riots

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1. Annual Report, Ministry of External Affairs, New Delhi, 1993-94, p. 18.
  2. Ibid, p. 17.

were witnessed in that country. The Babri mosque was destroyed while preparatory meetings were taking place for the SAARC Summit which was to commence in December, 1992 at Dhaka.<sup>1</sup> Various opposition parties in Bangladesh announced that they would not let the Indian Prime Minister attend the SAARC summit. They threatened to block the road from the airport to the city. The Bangladesh government was itself uncertain on how to handle this agitation. Mr. Narasimha Rao decided not to go to Dhaka and suggested that the Summit be delayed, which was accepted but very reluctantly.<sup>2</sup>

However, the Indian Prime Minister visited Dhaka on 10th and 11th April, 1993 to attend the 7th SAARC summit.<sup>3</sup> During a bilateral meeting with the Prime Minister of Bangladesh on 11th April 1993, SAARC related matters, bilateral issues such as the sharing of river waters, demarcation of Indo-Bangladesh Land Boundary and Maritime Boundary, transit facilities and economic cooperation were discussed.<sup>4</sup>

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1. J.N.Dixit, op. cit., p. 162.

2. Ibid, p. 163.

3. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 3.

4. Ibid, p. 3.

There was a setback to the Indo-Bangladesh relationship when Bangladesh gave a qualitatively new political twist to the water sharing controversy between India and Bangladesh . For the first time, Bangladesh raised the issue at the U.N. General Assembly in October 1993, when Begum Zia in her main policy statement to the plenary session declared that India's not releasing enough water to Bangladesh during the lean season from the Gangetic river system, apart from creating immense suffering and economic difficulties, was also a violation of human rights of Bangladeshis.<sup>1</sup> In a statement issued on the 8th October, 1993, India noted with considerable regret that Bangladesh thought it fit to raise the bilateral issue of river waters at U.N. General Assembly.<sup>2</sup> References to the Farakka Barrage and related issues neither did justice to the documented facts nor referred to the understanding in May 1992 between the two Prime Ministers on the principles and framework of a solution. On several occasions, India reiterated to the Government of Bangladesh her commitment to holding a constructive .. bilateral dialogue for arriving at a

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1. J.N. Dixit, op.cit., pp. 161-162.
  2. Annual Report, Ministry of External Affairs, 1993-94, New Dehi, p.3.

long term, comprehensive and equitable arrangement on water sharing with Bangladesh. But Bangladesh, meanwhile, continued to raise the issue of sharing of river waters in international fora. On 6th October 1994, the Foreign Minister of Bangladesh made a reference to the subject in his statement at the U.N. General Assembly.<sup>1</sup> During the SAARC summit in New Delhi in May 1995, in their bilateral meeting the Bangladesh Prime Minister discussed with the Indian Prime Minister the issue of river waters, Chakma refugees and trade and economic cooperation and it was decided to resume dialogue between the Foreign Secretaries on water sharing and other outstanding issues.<sup>2</sup> Thereafter, the Indian Foreign Secretary held discussions with Bangladesh authorities in Dhaka in June 1995, during which it was decided to reconvene the joint Rivers Commission at the Ministerial level.<sup>3</sup> This was done as a measure of building confidence and reopening dialogue on arrangements for sharing of river waters. The Bangladesh Government, however, continued its attempts at internationalising the issue of river

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 3-4.
  2. Ibid, 1995-96, p. 3.
  3. Ibid, p. 3.

waters. The Prime Minister of Bangladesh raised the issue at the United Nations General Assembly in October 1995.<sup>1</sup> India, however, stood for a bilateral solution and remained committed to holding constructive bilateral dialogue for arriving at a long term comprehensive arrangement on water sharing with Bangladesh, taking into account the requirement of both sides.

Among other problems was the issue of Chakma refugees. Despite the understanding reached between India and Bangladesh on the repatriation of Chakma and other tribal refugees in Tripura during the visits of the Bangladesh Minister for Communications and of the Minister of State for External Affairs, Shri Salman Khursheed , to Tripura on 8 and 9 May 1993, the repatriation did not take off on 9 June 1993, as refugees remained largely unconvinced about the assurances given by the Government of Bangladesh about their security and safety in Bangladesh and also about the rehabilitation package offered.<sup>2</sup> During the visit of the Home Secretary to Dhaka in October, 1993, it was

1. Annual Report, Ministry of External Affairs, New Delhi, 1995-96, p. 4.
2. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 4.



agreed to continue efforts to remove the negative factors in connection with the repatriation.<sup>1</sup> As a follow up to the decisions taken during the visit of the Home Secretary to Dhaka in October 1993, the first meeting of Indo-Bangladesh Joint Working Group took place in New Delhi from 29 to 31st March, 1994 to discuss, inter alia, security related issues, cross border movements the existing visa regime and the situation along the Indo-Bangladesh border.<sup>2</sup> Negotiations resulted in the return of 5198 refugees to Chittagong Hill Tracts in Bangladesh in separate phases (15 to 22 February and 21 July to 5 August).<sup>3</sup> Discussions continued for the resumption of further repatriation at an early date although there was reluctance on the part of refugees to return on grounds of alleged unimplementation of rehabilitation measures by the Government of Bangladesh. All repatriation was on a strictly voluntary basis. In the meantime, both Governments continued efforts to facilitate the repatriation of Chakma refugees from India to Bangladesh. The second meeting of the Indo-Bangladesh

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1. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 5.

2. Ibid, 1994-95, p. 4.

3. Ibid, p. 4

Joint Working Group was held in Dhaka in April 1995 to discuss, inter alia, security related issues, cross border movements, the repatriation of Chakma refugees, the existing visa regime and the situation along the Indo-Bangladesh border.<sup>1</sup> Issues relating to the demarcation of the Land boundary were discussed in meetings between the survey authorities of the two countries in October, 1995. The root cause of the Chakma problem was the hunger for land in Bangladesh where the Bengali Muslims were in a majority but ethnic and religious factors had added emotional and psychological intensity to the controversy.

As far as trade and transit facilities, in which both India and Bangladesh were interested, are concerned, such facilities are essential in terms of economic and developmental interests of both countries. Hurdles to the granting of the aforementioned facilities were political. Bangladesh officials felt that suspicions about India in Bangladesh made it impossible for them to allow transit or trade facilities to India through Bangladeshi territory or from the port of Chittagong towards the north-eastern

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1. Annual Report, Ministry of External Affairs, 1995-96, New Delhi, p. 4.

states of India, whereas , Indian security and political agencies felt that allowing transit facilities to Bangladesh through the Indian territory to Bhutan and Nepal would only increase the problems that India already faced in terms of illegal migration and security threats.<sup>1</sup>

India had reliable information that ULFA (United Liberation Front of Assam) and some of the Bodos were being provided sanctuary and bases by Bangladeshi intelligence authorities, who in turn were being guided by the Inter-Services Intelligence agency of Pakistan. Indian Foreign Secretary conveyed this information to the Bangladesh Foreign Secretary and Home Secretary during his visits to Dhaka between the second half of 1992 and end of 1993, but the response of the Bangladesh officials were always non committal and bland apart from proforma denials.<sup>2</sup>

Due to suspicious in the minds of the Bangladeshi authorities, irritants continued to plague Indo-Bangla-  
-desh relations during the Narasimha Rao Government.

1. J.N.Dixit, My South Block Years : Memoirs of a Foreign Secretary, New Delhi, 1996, p. 159.
2. Ibid, p. 159.

INDIA-NEPAL RELATIONS

After the general election in 1991, under the new political system, the Nepalese Congress came to power with Mr. G.P. Koirala as the New Prime Minister. A new stage was thus set for both countries to focus on maximising mutually beneficial cooperation in a variety of fields. The goal was to usher in a new era in Indo-Nepal cooperation to which both Governments had committed themselves in the Indo-Nepal Joint Communiqué of 1990.

Prime Minister G.P. Koirala of Nepal visited India in December 1991 with the expectation that connections between the ruling Congress Party in India and the Nepal Congress Party would result in a close political relationship between the two, transcending normal patterns of intergovernmental and interstate relationship. The quid pro quo on the part of Nepal was to ensure a more cooperative political relationship, with no harking back to its earlier policies of playing China or Pakistan against India. During his two day visit, Mr. Koirala had extensive and wide-ranging discussions, not only with the President, the Prime

Minister and the Vice President , but also with leaders of practically all the important national political parties of India. His discussions were characterised by openness, warmth and a practical approach devoid of any reticence and suspicions, which had lain just beneath the surface of bilateral relations between the two countries for the previous three decades.<sup>1</sup> The visit of Prime Minister, Mr. Koirala, to India was preceded by four months of active and extensive consultations between the two sides . For the first time, an Indo-Nepal High-Level Task Force had been set up- chaired by the Cabinet Secretary or equivalent on both sides and included the Foreign Secretary, the Finance Secretary and the Commerce Secretary - which prepared a comprehensive programme for bilateral cooperation.<sup>2</sup> This was a unique effort for this was the first time such an approach had been adopted between Nepal and India.

The subsequent discussions at the Prime Ministerial level resulted in a wide ranging set of

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1. M.N. Dixit , My South Block Years : Memoirs of a Foreign Secretary, New Delhi, 1996, p. 82.
  2. Annual Report, Ministry of External Affairs, 1991-92, New Delhi, p. 1.

decisions of crucial significance for intensifying Indo-Nepal cooperation for mutual benefit. Five important treaties and agreements were signed.<sup>1</sup> These included a new trade treaty, a new transit treaty, an agreement for cooperation in controlling unauthorised trade, a Memorandum of Understanding for cooperation in agriculture meant to promote rural development and rural employment in Nepal, and another Memorandum of Understanding for the establishment of the B.P. Koirala India Nepal Foundation, in the memory of the great Nepalese statesman and patriot who had also been closely involved with the Indian independence movement.

The Prime Minister of Nepal, however, mentioned three important political issues.<sup>2</sup> First, he agreed to the finalisation of the Tanakpur barrage and hydroelectric project. Secondly, he desired greater logistical assistance from India for the Nepalese armed forces and, lastly, he wished India to help resolve problems emerging between Nepal and Bhutan because of the migration of a large number of Nepalese from Southern Bhutan into Nepal. Prime Minister Rao agreed

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1. Annual Report, Ministry of External Affairs, New Delhi, 1991-92, p.2.
  2. J.N. Dixit, op. cit., 83.

that officials of the Indian Defence Ministry should interact with their Nepalese counterparts to study the extent to which India could meet Nepal's requirements. As far as problems related to Nepal-Bhutan relations were concerned, the Indian Prime Minister advised his Nepali Counterpart to resolve bilaterally with the King of Bhutan and conveyed to him the assurance that India would be supportive of any mutually agreed solution between the two countries.

The trade and transit treaties, however, provided substantial new tariff concessions and procedural simplifications which if fully exploited by Nepalese trade and industry, should substantially boost Nepalese exports to the large Indian market.

The year 1992 was characterised by a steady growth in Indo-Nepalese relations . The Indian Prime Minister met his Nepali counterpart at Rio De Janeiro in June 1992 and in Jakarta in September 1992 during the International Conference on Environment and the Non-Aligned Movement Summit, respectively. The cumulative effect of these high level contacts was the

visit by Prime Minister Rao to Nepal from 19th to 21st October 1992.<sup>1</sup> During the course of the meetings between the delegations of both countries, a number of decisions were taken and steps finalised with a view to further strengthening and expanding bilateral cooperation. A Joint Communique was signed during the visit enlisting the various areas of cooperation between the two countries.<sup>2</sup> In the trade sector in particular, substantial improvements were made and transit of Nepalese goods was further facilitated. India agreed to enhance the standby credit facility extended to Nepal from the level of (Indian) Rs. 35 crores to Rs. 50 crores.<sup>3</sup> A time frame for investigations, preparation of project reports and other works for water resources cooperation on the Karnali, Pancheshwar, Rapti, Koshi, Budhi Gandak, Kamala and Bagmati projects was agreed upon.<sup>4</sup> The B.P. Koirala Nepal-India Foundation was jointly inaugurated by the two Prime Ministers during this visit. The foundation provides an institutional framework for

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1. J.N. Dixit, op. cit. p. 85.
  2. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 15.
  3. Foreign Affairs Record, Volume XXXVIII, No. 10, 1992, New Delhi, p. 300.
  4. Ibid, p. 301.



promoting academic, cultural and technical exchanges between India and Nepal. An Indo-Nepal high level task force was set up to monitor and review the implementation of Indian aided projects in Nepal.<sup>1</sup>

Unfortunately, however, the first fissures in Indo-Nepalese relations emerged again in the immediate aftermath of this visit. Though additional agreements on bilateral, economic, technological and commercial relations were signed, and the agreement on the Tanakpur hydroelectric project was finalised, discussions preceding the signing of the agreement indicated the revival of traditional Nepalese concerns about their sovereignty over a small part of Nepal's territory, where some construction related to the barrage was being planned and there was also some haggling about the unit price of the electricity to be supplied to India by Nepal from this project.<sup>2</sup> Leaders of opposition parties led by Mr Manmohan Adhikari raised the question of the need to revise the Indo-Nepalese treaties of July 1950 in their meeting with Prime

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1. Foreign Affairs Record, Volume XXXVIII, No. 19, 1992, New Delhi, p. 302.

2. L.N. Dixit., op. cit., p. 85.

Minister Narasimha Rao.<sup>3</sup> Questions were raised about India's commitment to Nepal's sovereignty and territorial integrity. There was a demand for greater transparency regarding details of the Tanakpur agreement. Prime Minister Narasimha Rao's responses, to the questions were measured and non-controversial. The basic points which he made were that India desired close friendship with Nepal on the basis of mutual respect and equality and stressed that no project of cooperation of any category would be undertaken without the consent of Nepal, and which did not give equal and mutual benefits to both countries.<sup>2</sup>

In 1993, the King of Nepal, His Majesty King Birendra Bir Bikram Shah, paid a State visit to India in May.<sup>3</sup> He had paid a private visit to India in mid July 1992 and again in December 1993.<sup>4</sup> On all these visits, Prime Minister P.V. Narasimha Rao utilised the opportunity to establish personal contacts with his Majesty, the King of Nepal, and had a detailed exchange of views about ongoing trends in bilateral

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1. J.N. Dixit, op. cit., p. 86.

2. J.N. Dixit, op. cit., p. 86.

3. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 1.

relations. Prime Minister Mr. Narasimha Rao extended to the King all the facilities which would normally be given to a head of state, minus the military ceremonials which attend an official visit because he felt that it should not be forgotten that the King and the Nepalese Army remain important elements in the power structure of Nepal and, in psychological and emotional terms, the king was the most significant factor in Nepali politics.<sup>1</sup>

India's economic cooperation programme with Nepal continued to bear fruit. An industrial estate at Rajbiraj and a telephone exchange at Rangeli in Nepal were successfully commissioned during the year 1993.<sup>2</sup> Under the new trade regime which came into force in April, 1993 access to the Indian market free of customs duty for manufactured articles was improved to include articles containing not less than 50% of Nepalese materials and labour. Indo-Nepal economic relations also gained from the liberalisation of both economies and from the stable and positive framework provided by the

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1. J.N. Dixit, op. cit., p. 85.

2. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 1.

1991 Treaties of Trade and Transit and their further ammendments in 1993. Between 1991 and 1994, 48 Indian joint ventures were approved by Nepal , and the State Bank of India and the Union Bank of India also set up joint ventures in Nepal.<sup>1</sup> As on 31st December, 1995, out of a total of 247 joint ventures 95 were from India.<sup>2</sup>

India's commitment to Nepal's economic development continued to be expressed through an extensive cooperation programme. The upgradation of the Jayanagar Railway through the supply of new locomotives and carriages was completed during the year 1994 as was the supply of city sanitation equipment to Kathmandu municipality.<sup>3</sup> The formal inter-governmental agreement on the Institute for Health Sciences at Dharan with an associated 300 bed hospital was signed during the year 1994 and implementation of the first phase made it possible for the first group of students to be admitted in September, 1994.<sup>4</sup> The new Sirsiya bridge at the Raxaul border linking the two countries at the point

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 1.
  2. Ibid, 1995-96, p. 1.
  3. Ibid, 1994-95, p. 2.
  4. Ibid, p. 2.

where the traffic in goods and people is the heaviest, was completed during the same year. Another major project for the construction of 22 bridges on the East-West Highway in Western Nepal was initiated; work on surveys for east-west electric railway, outer ring road at Janakpur, broad gauging of rail link between Raxaul and Sirsa as well as other projects were also initiated.<sup>1</sup>

On the political front, however, the years 1993 and 1994 slowed down the positive momentum of Indo-Nepalese relations. The cause was not any intrusive or assertive action by India, but essentially internal dissensions within the Nepalese Congress, with Mr Bhattarai & Mr. Ganesh Man Singh constantly undermining the authority of Koirala, an exercise in which they did not hesitate to use the India card, accusing Mr. Koirala of being subject to excessive influence from India. The United Marxist Leftist Front (UML) and some other opposition parties joined in the exercise, resulting in the delay of a number of joint projects, including the one planned at Janakpur. India's non-interference in favour of Nepal

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1. Annual Report, Ministry of External Affairs, 1995-96, New Delhi, p.2.

against Bhutan on the Nepalese migration issue was also utilised by the opposition to destabilise the Koirala Government, ultimately resulting in his ouster from power in early 1995. Two factors seemed to lend credence to the opposition's allegations about Mr. Koirala being subject to excessive Indian influence. The first was the tendency of a number of very senior Indian political leaders from the Janata Party and others from U.P. and Bihar to visit Nepal frequently to hold high level meetings with Mr. Koirala and his colleagues; and the second, was the excessive and manifest closeness which the Ambassador in Nepal, Dr. Bimal Prasad, showed in his contacts with Mr. Koirala, and senior members of the Nepalese Congress, leading to public perceptions that his closeness to Prime Minister Koirala and his frequent meetings with him went beyond the bounds of normal diplomatic behaviour expected of an Ambassador.<sup>1</sup> When Mr. Manmohan Adhikari visited India in May 1995, he formally raised the question of revising the Indo-Nepalese Treaty to bring it more in line with the changed international environment.<sup>2</sup>

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1. J.N. Dixit, op. cit., pp. 86-87.

2. Ibid, p. 87.

Efforts were made to take concrete steps to improve cooperation with the new Government led by Mr.Deuba, the new Prime Minister of Nepal. The visits of Minister of External Affairs to Nepal (26-29 January, 1996) and Prime Minister Deuba to Delhi (12-18 February, 1996) helped in further consolidation of India's traditionally close ties with Nepal.<sup>1</sup> These visits resulted in the signing of a treaty on the development of Mahakali rivers which represented a major breakthrough in the harnessing of river waters in the region for mutual benefit.<sup>2</sup> Apart from bringing the economies of the two countries closer, the setting up of a new major project, as provided for in the treaty, was bound to have a far reaching impact on the quality of lives of the people of Nepal as well as the adjoining regions in India.

To outline the deep undercurrents of India's and Nepal's attitudes towards each other, it should be pointed out that Nepal, being a Hindu majority country with much closer cultural, linguistic and religious links with India, is legitimately apprehensive about

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1. Annual Report, Ministry of External Affairs, 1995-96, New Delhi, p. 1.
  2. Ibid, p. 1.

its political independence and separate identity being either eroded or submerged because of elemental forces of geography and socio-cultural factors. Wedged as it is between two large Asian powers, India and China, excessive proximity in political, security or economic terms with either one of these countries arouses negative reactions from the other. Nepal has, thus, to walk the tightrope of balancing its relations with India and China . Despite anxieties about maintaining its identity and sovereignty, there is acknowledgement in Nepal that a close relationship with India is inevitable for economic, ethno-religious and strategic reasons. Indian attitudes towards Nepal are subject to similar factors though with different nuances. India views any close interaction in the spheres of economic and defence relationships between Nepal and China and between Nepal and Pakistan with concern. A large number of Muslims from Jammu and Kashmir with anti-India inclinations gained easy entry into Nepal and used that country as a base for smuggling arms and for other subversive activities. These elements developed links with Sikh terrorist groups and their activities were



orchestrated and guided by the Inter Services Intelligence station of Pakistan in its embassy in Kathmandu.

Indo-Nepal relations thus , remained complex and subject to pressures in the foreseeable future. Without being emotional or sulky about it India desired to have a stable partnership with Nepal on the basis of equal and mutual respect for mutual benefits.

INDO-BHUTAN RELATIONS

The traditionally close and friendly relations with Bhutan were further strengthened by the Narasimha Rao Government. Bhutan was one country with which relations remained generally smooth and devoid of any notable controversies.

The King of Bhutan, His Majesty Jigme Singye Wangchuck led a delegation to India in September 1991 and held extensive discussions with the President, Prime Minister and others.<sup>1</sup> The discussions on bilateral and multilateral issues of mutual interest were marked by a close identity of views and great warmth and cordiality. A new Air Services Agreement was signed between the two countries.<sup>2</sup>

One of the basic issues which was dealt with by this Government was the finalisation of Indian inputs into Bhutan's Seventh Five Year Plan. This was in pursuance of India's traditionally intensive involvement with the economic development process in Bhutan, especially through substantial infrastructural

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1. Annual Report, Ministry of External Affairs, New Delhi, 1991-92, p. 3.
  2. Ibid, p.3.

development. In this context, the Deputy Chairman of the Planning Commission, Shri Pranab Mukherjee, visited Bhutan in December, 1991, and the Special Secretary (Planning Commission) had led a delegation to Bhutan earlier in October 1991 for detailed technical discussions. The total Indian assistance for Bhutan's Seventh Plan was finalised at Rs. 750 crores.<sup>1</sup> Several major projects were to be taken up by India in Bhutan during this plan period including a large cement plant at Nganglam, an Airport Terminal building at Paro, Kurichu Hydel Project in Eastern Bhutan, hospitals, roads and bridges, transmission lines and sub-stations, etc.

The long association of India in the development of Bhutan's power sector was further strengthened in November, 1992 with the signing of a Memorandum of Understanding between India and Bhutan for taking up the detailed project report for Bunakha Hydel Project in Bhutan.<sup>2</sup> Bunakha Hydel Project would have an installed capacity of 120 MW and would contribute to the welfare and economic development of Bhutan.

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1. Annual Report, Ministry of External Affairs, New Delhi, 1992-93, p. 16.
  2. Ibid, p. 16.

The most important political issues affecting Indo-Bhutanese relations were : (i) the parallel discussions being held between Bhutan and China and India and China on the boundary question, (ii) the second most important issue related to the problem of Nepalese migration from Bhutan into India and then to Nepal; (iii) the third problem was the difficult situation being created by secessionist elements from Assam and the North-East taking refuge in southern Bhutan after indulging in violent activities.

Regarding the boundary question, the Chinese seemed to be pressurising Bhutan to settle the Sino-Bhutan boundary issue faster than coming to a settlement on the question with India. The suggestion which the Chinese made to the Bhutanese about the delineation of the boundary from the southern edge of the Chumbi valley, north-eastwards, posed potential geo-strategic threats to India.<sup>1</sup> The King of Bhutan , being sensitive to Indian concerns, and at the same time, being conscious of the implications of a Chinese strategic dominance on the north western and northern

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1. J.N. Dixit, My South Block Years : Memoirs of a Foreign Secretary, New Delhi, 1996, p. 91.

reaches of Bhutanese territory, did not entirely agree to the Chinese suggestions and he conveyed his concern and anxiety to India when the Chinese undertook minor military operations in an attempt to intimidate Bhutan.<sup>1</sup>

The Indian response was supportive of the King both in political and operational terms.<sup>2</sup> India also agreed with the King's view that negotiations with the Chinese on the boundary issue should be a measured, gradual and parallel effort.

As far as the migration of the Nepalese into Bhutan was concerned, the King, as well as the prevailing power structure of Bhutan, became apprehensive of the growing Nepalese clout in Bhutanese politics and economy which, to their mind, posed a danger to Bhutan's identity, its monarchy as well as the traditional Buddhist values and ethos of Bhutan.

The King of Bhutan visited India from 4 to 7 January 1993.<sup>3</sup> The King took up all the three issues with Prime Minister Mr. Narasimha Rao. While there was agreement on action to be taken on all aspects of the Indo-Bhutan relations, on negotiations with China and

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1. J.N. Dixit, op. cit., p. 91.

2. Ibid, pp. 91-92.

3. Annual Report, Ministry of External Affairs 1993-94, New Delhi, p. 2.

on trade and other matters, Prime Minister Rao told the King that India would favour a solution on the Nepalese issue through bilateral negotiations between Bhutan and Nepal and that he had made the same suggestion to the Prime Minister of Nepal.<sup>1</sup> Consequently, a number of meetings were held between the Foreign and Home Ministers of Nepal and Bhutan, but they remained inconclusive.

Prime Minister Mr. Narsimha Rao visited Bhutan on 21st and 22nd August 1993.<sup>2</sup> At the talks, both India and Bhutan resolved to expand their traditionally strong, warm and cordial ties. During this visit, most of the aforementioned issues were discussed and further action to be taken was decided upon. An even tempo had been sustained since the autumn of 1993. However, the King of Bhutan cautioned the Indian Foreign Secretary that India should work out the details of opening up border trade between China and India with care, after the signing of the Sino-Indian agreement on the maintenance of peace and tranquility on the line of actual control, despite the benefits of border trade with China.<sup>3</sup>

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1. J.N. Dixit, op.cit., p. 92.

2. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 2.

3. J.N. Dixit, op.cit., p. 93.

On the economic front, India was actively involved in implementing the 7th Five Year Plan of Bhutan. Work on several major projects began during the financial year including an airport terminal building at Paro, Kurichu Hydel Project in Eastern Bhutan , hospitals, schools, roads and bridges, transmission lines and substations, rural electrification, survey projects, etc. The long cooperation between India and Bhutan in the power sector was further strengthened in January 1993 with the signing of the Memorandum of Understanding between India and Bhutan for a multipurpose project on Sankosh river with an estimated capacity of 1525 MW of power and was expected to irrigate half a million acre of land downstream in India.<sup>1</sup> Another significant development was the conclusion of the agreement in September, 1995 between the Kurichu Project Authority and the National Hydro-electric Power corporation Ltd. (NHPC) on the setting up of a 45 MW Kurichu Hydroelectric Project in Bhutan.<sup>2</sup>

India continued to be closely associated with Bhutan's developmental efforts. King Singe Wangchuk of

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1. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 2.
  2. Ibid, 1995-96, p. 3.

Bhutan paid an official visit to India from 1 to 7 March, 1996.<sup>1</sup> Two agreements, both pertaining to setting up of Projects in Bhutan, were signed during the visit. One was on the Tala Hydroelectric Project (1020 MW), the other was on setting up of the Dungsum Cement Plant, a dry process plant (0.5 mn tonnes per year) as a joint venture between the Royal Government of Bhutan and an Indian Company.<sup>2</sup>

Indo-Bhutanese relations chartered a very smooth course during the Narasimha Rao Government with the finalisation of Indian inputs into Bhutan's Seventh Five Year Plan, exploring of new avenues and finalisation of new projects which would consolidate Bhutan's economic links with India and strengthen the stability of the Bhutanese Government and its democratic institutions, and assistance of Bhutan was sought in controlling subversive activities undertaken by Pakistani agencies.

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1. Annual Report, Ministry of External Affairs, 1995-96, New Delhi, p. 2.

2. Ibid, p. 3.



INDO-MYANMAR RELATIONS

There was some improvement in Indo-Myanmar relations during the last years of Mrs Indira Gandhi's second tenure as Prime Minister. The process of bridging continued during Mr Rajiv Gandhi's tenure. The gradual process of improving relations was interrupted by political developments in Myanmar in the late 1980's and early 1990's when the military dominated State Law and Order Restoration Council (SLORC) negated the results of general elections in which Myanmar's National League for Democracy (NLD), led by Colonel Aung San's daughter Aung San Sun Kyi, swept the polls. The period from the end of 1989 upto 1992 was characterised by mutual disenchantment between Myanmar and India. India had reservations about the suppression of democracy in Myanmar, which the SLORC regime considered interference in its internal affairs. These factors led to a break in gradual steps being taken by the governments of the two countries towards establishing normal relations since the 1980s.

Despite India's policy of non-interference in the internal affairs of other countries, she could not ignore the democratic aspirations of the people of Myanmar

India called upon the Government of Myanmar to release Ms. Aung San Suu Kyi unconditionally and to pave way for setting up a multiparty democratic system of governance. India's concerns were reiterated through the speech delivered by the President of India on the occasion of the acceptance of credentials presented by the new Myanmar Ambassador on 3rd February, 1992.<sup>1</sup>

But, the considerations which influenced India's policies towards Myanmar, despite India's disappointment at the negation of democracy in Myanmar, from 1991 onwards included the following.<sup>2</sup>

1. Myanmar's geostrategic importance for India. Myanmar abuts on the sensitive North-Eastern States and portions of Bangladesh. It shares an equally significant border with China. Myanmar's northern frontiers also constitute a trijunction of the eastern frontiers of India, China and Myanmar. Myanmar is an important country on the rim of the Bay of Bengal and India's south eastern trade routes. Also, Myanmar's south

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1. Annual Report, Ministry of External Affairs, 1991-92, New Delhi, p.4.  
2. J.N.Dixit, My South Block Years; Memoirs of a Foreign Secretary, New Delhi, 1996, p. 167.

eastern coast is proximate enough to the Andaman and Nicobar Islands (belonging to India) so as to affect India's security interests in the Bay of Bengal and the seas around it, washing the shores of ASEAN members. Indo-Myanmar cooperation to counter drug smuggling, drug crimes, insurgency and security threats to India's North Eastern states are imperatives for its foreign policy.

2. Ensuring that Myanmar does not become part of an exclusive area of influence of other great powers. This was a legitimate objective of India's foreign policy which the people of Myanmar shared with the people of India. This particular objective could be achieved only by, first , normalising relations with whatever government was in control of Myanmar and then expanding the range and content of bilateral relations. This objective provided the impetus to India for reopening channels of political and diplomatic communications with Myanmar from the middle of 1992 onwards.

Therefore, India extended an invitation to the Vice-Foreign Minister of Myanmar, Mr U.Baswe, to visit India around the middle of 1992.<sup>1</sup> In response, a Myanmar delegation led by the Director General of the Myanmar Foreign Office visited India in August 1992.<sup>2</sup> The members of the delegation highlighted three points.<sup>3</sup> First, that while they recognised India's concerns about Ms Aung San Suu Kyi and the absence of democracy in Myanmar, the point to be remembered was that the type of government which each country wanted was for its own people to decide. India should, therefore, not be excessively concerned about internal developments in Myanmar. The second point made by them was that Myanmar acknowledged that security and political concerns existed which affected both the countries because they shared a common boundary and also areas of strategic importance. Myanmar was also ready to cooperate with India in taking joint action to counter the smuggling of contraband and drugs. The third point which their delegation members made was that they would like to increase economic and

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1. J.N. Dixit, op.cit., p. 167.

2. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 18.

3. J.N. Dixit, op.cit., pp. 167-168.

technological cooperation with India in all spheres. Responding to their point about democracy in Myanmar, India conveyed that her objective was not to interfere in the internal affairs of Myanmar and that India's only purpose was to stress the fact India had always been supportive of democratic principles and institutions. India indicated that her response would be positive and action oriented on other suggestions made by the Myanmar delegation.

Discussions held during the visit identified concrete areas for bilateral cooperation including border trade, prevention of narco trafficking and contacts between the civilian and military authorities in the border regions of the two countries to prevent illegal activities, etc.<sup>1</sup>

However, India continued to press for the early restoration of democracy in Myanmar. In early December 1992, India extended supported to a U.N. Resolution on Myanmar, calling for an early restoration of democracy and human rights and the immediate and unconditional

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1. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 18.

release of all political prisoners including Ms. Aung San Suu Kyi.<sup>1</sup>

An Indian delegation led by the Foreign Secretary visited Myanmar from 29th to 31st March, 1993.<sup>2</sup> The two sides held wide ranging discussions on bilateral issues such as insurgency, drug trafficking, trade, contacts between civilian and military authorities in the border regions of the two countries to prevent illegal activities. An agreement on Prevention of Drug Abuse and Trafficking was signed during the visit. The Indian delegation raised the issue of reports about Myanmar importing a large amount of arms from China on concessional terms, and that the Chinese were interested in establishing a naval base in the southern and south eastern reaches of Myanmar aimed at obtaining a strategic presence in the Bay of Bengal. The Myanmar authorities, while acknowledging the import of arms, claimed that such import was necessary for their defence as well as internal security purposes, but as far as the Chinese military presence in the

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1. Annual Report, Ministry of External Affairs, New Delhi, 1992-93, p. 18.
  2. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p.4.

south eastern coast was concerned, they flatly denied any such possibility.<sup>1</sup>

As India developed a better working relationship with Myanmar, a Tripartite Maritime Agreement determining T-Point in the Andaman Seas between India, Myanmar and Thailand was signed on 27th October, 1993.<sup>2</sup> A Memorandum of Understanding on Cooperation between Civilian Border Authorities and a Border Trade Agreement was signed during the visit of Deputy Foreign Minister Mr. U. Nyunt Swe, from 19th to 24th January, 1994.<sup>3</sup> Both governments agreed to consider measures to ensure better border management with a view to maintaining peace and tranquillity on the Indo-Myanmar border. The Indo-Myanmar Border Trade Agreement was operationalised during the visit of Myanmar's Minister of Commerce Tun Kyi to India in April 1995.<sup>4</sup> India conferred the Jawaharlal Nehru Award for understanding for 1993 to Ms. Aung San Sui Kyi in 1995.<sup>5</sup> The conferment of the award expressed India's continuing commitment to

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1. J.N. Dixit, op.cit, p. 169.
  2. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 4.
  3. Ibid, pp. 4-5.
  4. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 5.
  5. Ibid, 1995-96, p. 5.

the principles of democracy and human rights. It did not in any way reflect any desire to interfere in the internal affairs of Myanmar, or to erode the policy of constructive interaction with the SLORC regime in Burma which India had evolved from 1992 onwards.

On the foreign policy issues, the SLORC regime in Myanmar had been generally supportive of India. This regime gave a categorical assurance at the U.N. that it would not grant military bases or facilities to any foreign power. It showed increasing understanding of India's stand on the nuclear non-proliferation issue. Myanmar did not show any inclination towards playing Pakistan against India or vice-versa.<sup>1</sup> The Government of India and that of Myanmar consolidated bilateral relations in all spheres for the benefit of the peoples of both the countries, despite differences related to the suppression of the democratic regime and human rights.

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1. J.N. Dixit, *op. cit.*, p. 171.



# **Chapter-IV**

INDIA AND THE U.N., HUMAN RIGHTS, NUCLEAR  
NON-PROLIFERATION, AND THE NON-ALIGNED MOVEMENT

INDIA AND THE U.N.

The period 1990-91 marked a watershed in as much as it witnessed the transformation of the nature of the United Nations and the international environment in which it had to function. The Soviet Union was in the process of disintegration. The detente between the U.S.S.R. and the U.S. was an established reality. Given China's track record of having a detached approach to U.N. activities and operations, except where its interests were directly affected, superpower consensus was becoming a progressive reality in the Security Council.

In early 1991, the following trends were emerging with respect to the United Nations. First, the end of the Cold War, and the resulting trend of the United States dominating the Security Council made it clear, that the United Nations' policies and activities would be determined by the western democracies led by the United States. Secondly, none of the permanent members of the Security Council was likely to exercise a veto on the Council's decisions unless they affected its own specific national interests. In terms of India's specific interests, India could no longer rely on Russia or any other permanent member of the Security Council to exercise the veto were the U.N. Security Council to take decisions unacceptable to it. Thirdly, the

United Nations was sought to be converted into a more active and intrusive agency for furthering the processes of "the new world order" envisaged by the U.S. and the industrially advanced countries. Fourthly, this proactive and, intrusive role sought to cover a wide range of issues of international concern and interests from human rights to environment, from women's and population issues to disarmament, and transfers of technology. Fifthly, suggestions were emerging for the reorganisation of the United Nations, and for reforming and restructuring its principal organs. Lastly, the U.S. had made it clear that it would dominate these processes of transformation of the United Nations.

When the Narasimha Rao Government came to power, the quality and the chemistry of internationalism and multilateralism, of which the United Nations, and its agencies were institutional manifestations, had undergone a dramatic change. The role of the General Assembly stood diminished. The focus on the concerns of the developing countries was now subject to superpower interests. The disappearance of the Soviet Union, and the convergence of the policies of influential members of the U.N. had resulted in it becoming increasingly, subject to the attitudes and interests of a small group of powerful countries rather than those of the 180-odd members of the organisation. Both ideological, and donor fatigue existed as far as the United Nations was concerned. The idealism and the faith that

the United Nations would be a force working in the higher interests of humanity transcending national interests and approaches stood eroded. The U.N. was subject to serious resource constraints, and only selective support for some projects by its important member - countries was provided. The disappearance of the leverages based on the Cold War and the change in power equations in the international situation subjected the U.N. to a lot of tension and uncertainties. The emergence of a number of regional and subregional interest groups compelled the United Nations to restructure its role and activities. Such restructuring became necessary to fulfil the objectives which the regional groupings had set for themselves not only in economic but also in political, technological and security matters.

The advanced industrial countries desired the United Nations to play a more active role in political and security matters. These countries wanted the United Nations to serve as an instrument for pre-emptive action to prevent conflict situations. They also wanted the U.N. to act as an arbiter for ensuring the establishment of democracy, and upholding human rights, among member states. They simultaneously wanted the United Nations to be less involved in economic, technological and developmental issues, or in ensuring

the interests of developing countries in the orientation towards globalisation of the world economy and universal adherence to free market economic policies by the international community.

One of the important decisions that this Government took was to support the revocation of the Resolution passed in 1975 equating Zionism with Racism.<sup>1</sup> In keeping with her position that it was certain policies and practices attributed to Zionism which were discriminatory, and in the hope and expectation that this would remove an obstacle in the path to peace in West Asia, and facilitate more active role for the U.N. in the peace process, India voted for the proposal.

Prime Minister Narsimha Rao participated in the first ever U.N. Security Council summit convened by the British Prime Minister Mr. John Major in New York on 31st January, 1992. India was one of the non-permanent members of the Security Council at that time. Prime Minister Narsimha Rao's policy statement at the Security Council, and also the views expressed by him during discussions with the leaders of the five permanent members of the Security Council provided the terms of reference of the Indian approach and attitude towards the United Nations.

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1. Annual Report, Ministry of External Affairs, 1991-92, New Delhi, p. 54.

Prime Minister Narsimha Rao pointed out that if the United Nations wanted to play an expanded and more active role in structuring a new world order, it would have to become a more representative and democratised organisation . He said, "As the composition of the General Assembly has trebled since its inception, the size of the Security Council cannot remain constant any longer. Wider representation in the Security Council is a must if it is to ensure its moral sanction and political effectiveness."<sup>1</sup> He stressed that changing the nature , and the role of the United Nations could not be undertaken without amending the U.N. Charter. and providing more region-wise representation to the developing countries. He said, "the interpretation of the Charter as well as the actions by the Security Council must flow from that collective will and not from the views or predilections of a few. A general consensus must always prevail. What is right and just must become transparent."<sup>2</sup> Prime Minister Narsimha Rao went on to make a significant point, that while prescribing norms and standards for national or international conduct, the Security Council must scrupulously accept those norms for itself.<sup>3</sup> While welcoming the U.N. playing a more active roles on issues such as human rights, environment management,

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1. P.V.Narasimha Rao, Selected Speeches, Volume I, 1991-92, New Delhi. p. 359.

2. Ibid, p. 358.

3. Ibid, pp. 358-359.

nuclear non-proliferation and disarmament, the Indian Prime Minister pointed out that : (1) such a role should be based on the general endorsement of the membership of the organisation;; (2) the terms of reference governing U.N. activities should not be selective or discriminatory; and (3) the functions of the United Nations should not be influenced by the narrow interests of the powerful countries.<sup>1</sup>

In response to a call made at the Security Council Summit held in 1992, the U.N. Secretary General had put forward a report entitled "An Agenda For Peace" on preventive diplomacy, and peacemaking, and peace-keeping<sup>2</sup>. The new horizons in preventive diplomacy, peace making, peace keeping and peace building envisaged in the Report went beyond the role of the U.N. in these areas. India, together with a large number of other Non-Aligned countries, ensured that these proposals were tempered to the extent necessary in order to safeguard the principles such as national sovereignty, territorial integrity and domestic jurisdiction of states which were suitably reflected in the resolution.<sup>3</sup> While the enhanced role of the U.N. in the domain of preventive diplomacy etc. was acknowledged, it was stressed that this should be

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1. J.N. Dixit, *My South Block Years : Memoirs of A Foreign Secretary*, New Delhi, 1996, p. 343.
  2. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 85.
  3. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 80.

on a case by case basis, and with the consent of the State concerned.

The expansion of the Security Council, and India's interest in gaining a permanent seat on the Council were matters of particular significance to Narasimha Rao Government. Europe was, in any case, over represented on the Security Council as far as permanent membership was concerned. Asia had and has one permanent member. The Security Council remained an institution essentially dominated by the victors of the Second World War and by the power equations which they reflected. A major Indian initiative in this direction was the tabling of a Resolution at the 47th General Assembly on the question of equitable representation, and increase in membership of the Security Council, in the year 1992.<sup>1</sup> In its statement, India emphasised the need to apply the principle of democracy within the U.N. itself and underlined that if the Security Council was to represent the collective will of the international community and ensure its moral sanction, the members of the U.N. must have a wider representation of the Security Council.

India pleaded for the expansion of the Security Council on the following lines : First, the enhanced membership of the United Nations, compared to the

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1. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 85.



number who founded the organisation at the end of the IInd World War merited the expansion of the Security Council both in the category of its permanent and non-permanent members. Secondly, the expanded Security Council should have balanced continental and regional representation taking into account demographic, economic and regional considerations. There should be no distinction between the former permanent members and the new ones which may enter the Security Council in terms of being endowed with the veto power. Thirdly, the additional criteria should be : 1) a proven track record of commitment to the United Nations Charter and its objectives, (ii) participation in the U.N. peace-keeping operations and U.N. sponsored social and developmental activities, and (iii) fulfilment of financial obligations to the U.N. every year.

India participated actively in the discussions among the various delegations, during the 48th General Assembly Session, on the reform of the Security Council, including its expansion.<sup>1</sup> This led to the adoption of a General Assembly Resolution in December, 1993. This resolution set up a working group under the Chairmanship of the President of the General Assembly to consider all aspects of the question of equitable representation in, and reform of, the Council. The

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1. Annual Report , Ministry of External Affairs, 1993-94, New Delhi. p. 81.

working group was to commence its work by the end of January, 1994 and to submit its report to the General Assembly at the end of 1994. The United Nations General Assembly Working Group on "Question of Equitable Representation on, and increase in the membership of the Security Council" continued its discussions throughout the year 1994.<sup>1</sup> These discussions did not produce any consensus on criteria, or candidates, for admission to permanent members category of the Security Council. Therefore, the term of the Working Group was extended for another year. However, it continued its deliberation throughout the year, 1995. It was mandated to continue its work and submit "any agreed recommendations" before the end of the 50th General Assembly in September, 1996<sup>2</sup>. Important differences continued to exist on key issues, which require further-in-depth consideration.

Meanwhile, on October 3, 1994, India staked its claim for permanent membership of the Security Council.<sup>3</sup> India said it qualified on all criteria - population, size of economy, contribution to the maintenance of peace, and security, and to peacekeeping. Addressing

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 83.
  2. Ibid, 1995-96, p. 91.
  3. Asian Recorder, Volume XXXX, 1994, p. 24320.

the U.N.General Assembly, India's Commerce Minister Pranab Mukherjee stressed the need for expanding the Council to give its decisions greater legitimacy, moral authority and political effectiveness.<sup>1</sup>

Earlier, while India was mobilising support for the expansion of the Security Council, the U.S., by the middle of 1993, proceeded to announce that the Security Council expansion should be done in two stages: initially, Japan and Germany should be included as permanent members, and further expansion should be organised later.<sup>2</sup> India's reaction to the suggestion regarding Germany and Japan joining the Security Council as permanent members in advance of the others was, logically, negative. The addition of these two members would have only resulted in the Security Council being dominated by industrially rich and militarily powerful countries of the world and their getting additional representation.

During Indian Foreign Secretary J.N. Dixit's bilateral exchanges with his counterparts in the U.S. State Department, the British Foreign Office and the Japanese Foreign Office, hints were dropped that if India were to sign the NPT and agree to fall in line

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1. Asian Recorder, Volume XXXX, 1994, p. 24320.

2. J.N. Dixit, op. cit. p. 346.

with various discriminatory regimes. being put in place regarding issues such as missile development, and transfer of technology, and if India were to show a more accomodating attitude on the Kashmir issue, India's chances of becoming a permanent member of the expanded Security Council would distinctly increase with support from important powers of the organisation. Under clear instructions, the Indian Foreign Secretary rejected such overt or covert suggestions.<sup>1</sup>

India forcefully articulated the rejection of piecemeal expansion of the Security Council. The curious contradiction emerged that when the general question of expanding the membership of the Security Council was discussed, the U.S. and other permanent members expressed the view that such expansion would involve ammending the U.N. Charter which was a complex and sensitive process, and therefore India should go slow.<sup>2</sup> But when they suggested the inclusion of Germany and Japan, their own argument was set aside. This was not a rational approach, this was an obvious exercise in real-politik. .

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1. ~~EN: Dixit~~ , Op. cit. pp. 346-347

2. Ibid, p. 347.

The Narasimha Rao Government consistently called for the expansion of both the permanent and non-permanent categories of membership on the basis of objective criteria. These criteria included population, size of economy, contribution to the maintenance of international peace, and security, and future potential. During his statement on the debate in the 50th U.N. General Assembly, the Minister of External Affairs Mr. Pranab Mukherjee restated India's claim for the permanent seat of the Security Council.<sup>1</sup> India's position was further reiterated in Prime Minister's address both at the XI NAM Summit in Cartagena and the Special Commemoration meeting of the U.N.

Addressing the Special Commemorative Meeting of the U.N., the Indian Prime Minister articulated a vision for the future of the U.N., that would enhance its relevance particularly for developing countries. Prime Minister Narasimha Rao stated that if the relevance of the U.N. was to continue, it would

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1. Annual Report, Ministry of External Affairs, New Delhi, 1995-96, p. 91-92.

need to address to the root causes of the problems that afflict mankind.<sup>1</sup> These included the issues of nuclear disarmament, poverty and underdevelopment, international terrorism, fundamentalist trends based on intolerance, and exclusivism. He urged the international community to take urgent steps to eliminate all nuclear weapons within a stipulated time frame. Condemning international terrorism, he said that when terrorism was sponsored and supported by States, it constituted another means of waging war, and urged the international community to combat this menace since it threatened the very basis of peaceful societies.<sup>2</sup> He also highlighted the crying need of a vast majority of nations for all round development, and the need for adequate presence of developing countries on the Security Council since it was imperative that all nations felt that their stakes in global peace and prosperity were factored into U.N. decision making.

India, under the Narasimha Rao Government, supported the peacekeeping operations of the United Nations in Cambodia, Somalia, Yugoslavia, Mozambique, Rwanda and Haiti. Units from Indian armed forces and

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1. Annual Report, Ministry of External Affairs, 1995-96, New Delhi, p. 89.

2. Ibid, p. 90.

police forces and personnel from the administrative service functioned in Cambodia for a period of nearly two years managing the truce between the Cambodian authorities and the Khmer Rouge. This task was complex and difficult but India's peace keeping contingent acquitted itself well in Cambodia.

The second request for Indian peacekeeping personnel from the U.N. was for managing the conflict in Yugoslavia. Being aware of the competing and interfering strategic and political interests of important countries such as Germany and France in the disintegrating Yugoslav situation, the India Foreign Secretary was completely opposed to India getting involved in any peace keeping functions there, feeling also that, both psychologically and emotionally, it would be wrong for India to be a participant in any exercise assisting the break up of a founder member of the Non-Aligned movement<sup>1</sup>. However, the Secretary General of the U.N. was convinced that an impartial military person was needed from India to command the U.N. and conveyed a special message to this effect to the Indian Prime Minister.<sup>2</sup> Thereupon, the choice

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1. J.N. Dixit, op. cit., p. 360.

2. Ibid, p. 361.

ultimately fell on Lt. Gen. Satish Nambiar. He eventually served in Yugoslavia for one year with efficiency, distinction and impeccable impartiality. But, the U.N. Secretary General was pressurised to appoint a political advisor to General Nambiar from a European country, thus bifurcating the responsibilities of the latter.<sup>1</sup> This situation was obviously unacceptable to India, specially when its officer was performing his duties well, in terms of all objective criteria.

Indian peace keeping troops served in Somalia for nearly two years and were only withdrawn when the U.N. peace keeping operation itself was being wound up. Even though the U.S. and European armed contingents withdrew from the Somalian peace keeping operations within a period of four to six months after India got involved there, Indian forces served with great success and distinction in Somalia. They were the most popular of the U.N. troops stationed there, cutting across political and military affiliations. Indian medical unit and , especially, its lady military officers established an extraordinary rapport with the local

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1. J.N. Dixit , op. cit, p. 361.



population which made India proud and increased the credibility of U.N. peacekeeping operations.<sup>1</sup>

The peacekeeping operation in Mozambique in which India got involved was on a smaller scale, i.e. sending some paramilitary and police personnel to stabilise the situation there. India also sent its troops to the U.N. peacekeeping missions in Angola, Rwanda and Haiti. Operations in Rwanda were abortive and in Haiti, of limited interest to India.

India played a very active role in the evolution of an international consensus on development and environment related issues at the U.N. Conference on Environment and Development held in Rio de Janeiro in June 1992.<sup>2</sup> The Indian delegation was led by the Prime Minister Mr. Narasimha Rao who emphasized, that there cannot be conservation of the environment without the promise of development even as there cannot be sustained development without the preservation of the environment. India played an active role in the preparatory process for and at the UNCED Summit, emphasizing the close interlinkage between economic

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1. J.N. Dixit, op. cit., p. 363.

2. Annual Report, Ministry of External Affairs, New Delhi 1992-93. p. 89.

development issues and protection of the environment, and ensured that the documents and agreements which emerged from the Rio Summit safeguarded both economic and ecological interests of the developing countries.<sup>1</sup>

Recognizing the imperatives of change, India endorsed new and emerging trends that do not alter the basic premise of the U.N. India was successful in generating international opinion in favour of a comprehensive reform of the U.N. Security Council. India also sought to ensure that the Agenda of Development was not altered to the detriment of the developing countries, and that the significance of international cooperation on transfer of resources was not lost in the emphasis on national strategies.

#### HUMAN RIGHTS

The end of the Cold War, and the disintegration of Communist States had resulted in a strident advocacy for upholding human rights, as an international negotiating stance. The suppression of the democratic movement in China during the 1989 Tienanmen Square incidents had provided an additional handle, specially to the Western countries, to stipulate standards of

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1. J.N. Dixit, op. cit., p. 344.

human rights, and to make them a precondition for cooperative political and economic relations between nations.

India did not have any problem regarding the stipulations on human rights put forward by Western democracies. India is itself a democracy, has a free media and an independent judiciary. Moreover, India was a founder member of the United Nations, and an adherent to the Universal Declaration of Human Rights. The dilemma before India did not pertain to the basic norms and standards being put forward, it related to Pakistan and a number of non-governmental organisations politicising the issue of human rights and using this approach to counter the difficult efforts India was engaged in to control terrorist and separatist activities in Jammu and Kashmir, Punjab and in some North-Eastern States.

India continuously faced a publicity and propaganda offensive as far as human rights were concerned in the foreign media, in the reports of Non-Governmental Organisation (NGOs), in the relevant committees of the U.N., and in the Human Rights Commission

in Geneva. Such was the situation, despite India being an adherent to almost all the international conventions and agreements relating to human rights dealing with women, children, labour, education, health, cultural rights etc. International human rights organisations, like Amnesty International, U.S. based Asia Watch and the International Commission of Jurists, extensively criticised India for human rights violations, first in Punjab and then in Kashmir. However, they submitted biased and inaccurate reports about human rights violation by the Government of India. What was intriguing and unacceptable, was their one sided criticism of the Government of India and its security forces and the lesser attention they paid to terrorists and secessionists. The situation was compounded further, by a large number of NGO's of India which were equally enthusiastic about proving their credibility without taking into account the pressures and compulsions under which the Government of India and its security forces were operating and the lesser attention they paid to the violence and mayhem committed by terrorists and secessionists. Reacting to this, the Indian Prime Minister Mr P.V. Narasimha Rao said, "Do only the

terrorists have human rights ? They have a right to kill others and they also have human rights to the effect that nobody should kill them. This is a warped logic beyond comprehension and we are not prepared to accept it."<sup>1</sup> Pakistan took full advantage of the activities of both Indian and foreign human rights NGOs to embarrass India and to put it on the defensive.

The initial reaction to the reports and assessments put out by NGOs by the Indian Government was to ignore them and, where necessary, to firmly reject their interference. It was, however, realised by early 1992, that authoritative stonewalling of the human rights campaign and the rejection of the human rights concerns would adversely affect the credibility of the Government of India and even the political legitimacy of operations being undertaken by the security forces against terrorist and secessionist elements.<sup>2</sup>

In mid- 1992, Mr. Narasimha Rao conducted a series of meetings on how to deal with the political,

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1. P.V.Narasimha Rao, Selected Speeches, Volume III, 1993-94, New Delhi, p. 56.
  2. M.N. Dixit, , My South Block Years : Memoris of a Foreign Secretary, New Delhi, 1996, p. 353.

security and sociological aspects of human rights criticisms against India.<sup>1</sup> As a result, a series of important policy decisions were taken. First, it was decided to provide greater access to impartial, and credible observers, both from India and abroad, to visit areas of tension and conflict in order to make first hand evaluations of the human rights conditions there. Secondly, it was decided to give gradually increasing access to Punjab and later on to Jammu and Kashmir to the International Commission of Jurists, to the representatives of the U.N. Human Rights Commission and to Amnesty International. Thirdly, it was decided to request eminent Indians known for their political impartiality and credibility to investigate human rights violations charges reported in the Indian and international media. Fourthly, the Ministry of External Affairs undertook a detailed briefing of officials of the Home Ministry, of the Jammu and Kashmir State Government and of the security forces to make them aware of both domestic and international concerns about human rights and to familiarise them with the monitoring mechanisms and the patterns of value judgements of the observers.

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1. J.N. Dixit, My South Block Years: Memories of a Foreign Secretary, New Delhi, 1996, p. 353.

In June 1993, the World Conference on Human Rights in Vienna was held from 14 to 22 June, 1993.<sup>1</sup> India fielded a strong delegation initially comprising Dr. Manmohan Singh, Dr. Farooq Abdullah and later on Mr Atal Behari Vajpayee & Dr. L.M. Singhvi were also included in the delegation.<sup>2</sup> The main point of interest at the international conference pertained to the suggestion for the creation of the post of a United Nations Human Rights Commissioner. India was not enthusiastic about this suggestion as it felt that such an official would accentuate the intrusive and interfering intentions of the United Nations in matters which essentially fell within the domestic jurisdiction of member states.<sup>3</sup> The Western powers were keenly backing the proposal. The general compromise reached was that the post should be created but factors such as the role of its occupant, his or her jurisdiction and the terms of his or her jurisdiction and the terms of reference for his or her other functions had to be discussed before hand in the United Nations, and then

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1. Annual Report, Ministry of External Affairs, New Delhi, 1993-94, p.83.
  2. J.N. Dixit, op.cit. p. 356.
  3. Ibid, p. 356.

finalised on the basis of general consensus.

Pakistan's attempt to introduce a country specific resolution against India on the situation in Jammu & Kashmir, was coupled with sustained propaganda on human rights violations in Jammu and Kashmir, but on account of the efforts made by India, no resolution was tabled.<sup>1</sup> The unanimous adoption of a resolution on terrorism as an obstacle to human rights at the 48th U.N. General Assembly, co-sponsored by India, was another achievement of Indian diplomacy.<sup>2</sup> The resolution unequivocally condemned acts, methods, and practice of terrorism as activities aimed at the destruction of human rights, and fundamental freedoms and democracy, threatening integrity and security of States and destabilising legitimately constituted governments, and called upon all states to take effective measures and prevent, combat and eliminate terrorism.<sup>3</sup>

During the 50th session of the Commission on Human Rights in Geneva from 31st January to 11th March,

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1. Annual Report, Ministry of External Affairs, New Delhi, 1993-94, p. 85.
  2. Ibid, p. 86.
  3. Ibid, p. 86.



1994, Pakistan tabled a resolution against India on the Kashmir issue. The resolution called for despatch of a fact-finding mission to Jammu and Kashmir.<sup>1</sup> India apprised the international community of the facts about Jammu and Kashmir. The international community did not find merit in Pakistan's resolution. Failing to muster adequate support for her move, Pakistan was forced to withdraw the resolution unilaterally and unconditionally. A resolution on Human Rights and Terrorism was adopted by consensus, during the session. The resolution unequivocally condemned all acts, methods and practices of terrorism wherever and by whomsoever committed.

Meanwhile, the Indian Government set up the National Human Rights Commission through an act of the Parliament.<sup>2</sup> The Commission has wide ranging powers of oversight and enquiry. The Commission covers all parts of the country, including Jammu and Kashmir.

India continued to participate constructively in deliberations on human rights issues in U.N. fora in

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 88

2. Ibid, p. 88.

keeping with her commitment to promotion and protection of human rights at home and abroad. The U.N. High Commissioner for Human Rights Jose Ayala Lasso visited India at the invitation of the Government of India.<sup>1</sup> Apart from discussions in Delhi, he visited Jammu and Kashmir and Punjab and expressed his appreciation for India's policy of transparency in promotion and protection of human rights.

The 51st session of the Commission on Human Rights, held from 31st January to 11th March, 1995, saw a concerted and sustained campaign by Pakistan to attack India on human rights issues through statements of the Pak delegation and Pak - backed NGOs.<sup>2</sup> The main objective of Pakistan in raising human rights violations in Jammu and Kashmir was to draw maximum international attention to its allegations and thereby to continue its campaign of internationalising the Jammu and Kashmir issue. Throughout the course of the session the Indian delegation effectively countered Pakistan's offensive through statements, rebuttals of Pak Government and NGO's backed propaganda and lobbying with other Government delegations.

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1. Annual Report, Ministry of External Affairs, 1995-96, New Delhi, p. 101.
  2. Ibid, p. 101.

India played a major role in the discussions and deliberations of this Session of the Commission on various human rights issues including those relating to administration of justice to minorities, indigenous people, women and the impact of terrorism on human rights. The Commission adopted a resolution titled "Human Rights and Terrorism" which described terrorism as aggression aimed at the destruction of human rights, fundamental freedoms and democracy, threatening territorial integrity and security of States, destabilising legitimately constituted Governments, undermining civil society and having adverse consequences on the economic and social development of States.<sup>1</sup>

The Government of India signed a Memorandum of Understanding with the International Committee of Red Cross granting access to it to all persons arrested and detained in connection with the prevailing situation in Jammu and Kashmir.<sup>2</sup> It laid down the procedures for these visits which were to be conducted in an independent, impartial and constructive spirit.

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1. Annual Report, Ministry of External Affairs, 1995-96, New Delhi, p. 102.

2. Ibid, p. 102.

The track record in human rights of the Indian Government was much better than all the other developing countries, both in terms of institutional arrangements for upholding these rights, and in terms of laws, programmes and projects. In some respects, the Indian performance was better than that of even many of the industrially advanced countries, especially in terms of (1) incidence of crime and terrorist violence, (2) levels of coercive action by police and paramilitary forces and (3) equal employment opportunities without discrimination on the basis of race, sex or religion. It has to be said that due to international pressure, the Government's concentration was too much on the activities of the security forces dealing with the terrorists and the larger dimensions of human rights violations permeating the civil society remained a matter of secondary attention.

NUCLEAR NON-PROLIFERATION

With the end of the cold war and the disintegration of the U.S.S.R. , in the early 1990s, India's policies in respect of nuclear non-proliferation were subject to two types of pressures by the western countries, led by the United States. The first type was based on the concerns and perceptions of these powers about the maintenance of regional security and stability. This pressure was exerted as a result of the perceived need for confidence building measures between India and Pakistan, in other words, India should not become a threat to Pakistan in particular, and should not turn hegemonic towards other neighbouring countries in general. The second type was derived from their anxiety that India and Pakistan should not become capable of producing nuclear weapons or missiles. They wanted to ensure that particularly India did not acquire nuclear arsenal having missile deployment capacities. This pressure was couched in comparatively lofty advances of eliminating weapons of mass destruction, moving towards nuclear non-proliferation and attaining general disarmament.

By the early 1990's, India was an acknowledged nuclear weapons threshold power. The bogey of India becoming a nuclear power and the threat that it could pose to regional and international security became recurrent themes in the Western media as well as in technical writings in these countries. Scientific and pseudo scientific assessments were propagated that India had 10-15 nuclear bombs in its possession and that it was capable of producing between 50 and 70 nuclear devices backed by missile and other delivery systems and that its nuclear reactors were not safe.<sup>1</sup> International political, diplomatic and technological pressures were being exerted on India by early 1992 in anticipation of the mid 1995 International Conference to be held to extend the NPT indefinitely. The nuclear powers had the additional motive of stifling India's technological as well as research and development capacities in these vital spheres which constituted the cutting edge of sophisticated weapons technologies.

The specific policies adopted by India to safeguard its interests, therefore, were : (i) to

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1. A.J.N. Dixit, Across Borders : 50 years of India's Foreign Policy, New Delhi, 1998, pp. 290-291.

ensure that the necessary raw materials and technologies remained available to India from various countries so that its research and development programmes and the aim of attaining self reliance in the spheres of nuclear and missile technology did not get stifled or halted; (b) to resist increasing political pressure exerted on it in a manner wherein its scientific community members did not get isolated from their counterparts in other important countries; (c) to calibrate its reaction against pressures exerted on it in a manner wherein its defence preparedness and defence technology did not suffer abrupt setbacks; and (d) to avoid getting completely isolated as "nay-sayers" on vital issues of international concern such as nuclear non-proliferation, arms control and disarmament while countering discriminatory pressures against it. Moreover, India had to fashion the details of its policies in such a way that the continuity in its technological cooperation with countries such as Russia, France, England, Germany and Japan did not suffer. India had to devise tactical methods to resist the impact of different restrictive regimes on nuclear and space technology which were being put in place

unilaterally by the more powerful and influential countries of the West and the "nuclear supplies club" stipulations. India also had to devise its policies to satisfy India's public opinion and the Indian Parliament which were firm in their views that, under no circumstances, should India compromise its interests in these particular spheres under any disciplinary arrangements. While it was all very well to talk about keeping the nuclear policy and missile capacities options open, the policy decisions in the political sphere had to be finalised keeping in mind, the national interest, apart from factors such as its access to the required raw materials, minerals, specialised metallurgical components, designs, drawings and technologies. In terms of security and strategic considerations, India had to take into account Pakistan's declared nuclear weapons status and its threatening postures; it could also not ignore China's nuclear weapons capacities and the uncertain and inaccessible stock of nuclear weapons spread all over the Central Asian Republics in the aftermath of the disintegration of the Soviet Union.



It was the foregoing factors which influenced Prime Minister Narasimha Rao's negotiating stance on the crucial issue of nuclear non proliferation.<sup>1</sup> First the overarching strategy decided upon was that India would not be confrontationist vis-a-vis the rest of the world on these issues. Secondly, India decided to remain emphatically and irrevocably firm about not signing the NPT, and not accepting any discriminatory stipulations or regimes on nuclear and space technology and missile development. Thirdly, India decided to use the fashionable phrase to undertake exercises in constructive engagement with the U.S. in particular, and other Western countries in general, so as to ascertain whether India could chalk out bilateral arrangements with them in terms of mutual transparency about India's nuclear and missile development programmes.

The Narasimha Rao Government was engaged in a series of bilateral discussions with the United States, the U.K., France, Germany, Canada, Australia and Japan on the issue of nuclear - non proliferation. The most

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1. J.N. Dixit: ., My South Block Years : Memoirs of a Foreign Secretary, New Delhi, pp. 369-370.

detailed and frequent discussions were, as expected, with the United States. India faced renewed pressure to sign the NPT from the Bush administration. Pakistan had always spoken in terms of a nuclear threat from India. In June 1992, the Pakistani Prime Minister Mr. Nawaz Sharif made a proposal, endorsed by the U.S., to hold a five nation conference-including U.S. , Russia, China, India and Pakistan.<sup>1</sup> India rejected this proposal. Prime Minister Mr. Narasimha Rao clearly told the U.S. President George Bush, and the British Prime Minister John Major, that India did not believe in piecemeal sub regional arrangements of creating nuclear weapons free zones, when all the nuclear powers could flex their muscles against the other countries of the world, regardless of the regions to which they belonged and regardless of whether they were nuclear powers or not.<sup>2</sup> Gradually, Washington realised that New Delhi would not sign the NPT but it was insistent on India's participation in some sort of a regional conference. After suggesting the five nation talks, later on, they

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1. Krishan D. Mathur and M.M. Kamath, Conduct of India's Foreign Policy, New Delhi, 1996, p.169.
  2. C.J.N. Dixit, Across Borders, 50 years of India's Foreign Policy, New Delhi, 1998, p.293.

suggested a seven nation international conference including the five permanent members of the Security Council, Germany and Japan, and India and Pakistan.<sup>1</sup> These views were repeated with varied emphasis and intensity by other Western countries and Japan during bilateral discussions with these countries. India's responses during these discussions were as follows:<sup>2</sup>

1. India was willing to join any genuine effort at bringing about non-discriminatory non-proliferation, arms control and disarmament arrangements.
2. India would not join in any interim discriminatory regimes (including the CTBT) regardless of assurances and security guarantees which the U.S. and others were willing to offer it.
3. India was opposed to a South Asian nuclear weapons free zone and to any conference aimed at meeting this limited objective.
4. India was, however, willing to participate in a broader Asian conference with a large number of

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1. [J.N. Dixit, Across Borders: 50 years of India's Foreign Policy, New Delhi, 1998, p.294.

2. Ibid, pp. 294-295.

participants to discuss possibilities of creating a nuclear free zone in the whole Asian landmass and its adjacent seas provided that all the countries of the region plus all the countries which had the nuclear weapons capacity (to affect the security environment of the region) understood mutual and equal obligations to make Asia free from threats of nuclear weapons.

5. India also indicated that details pertaining to the terms of reference, the objectives, and the participants in the conference (if held at all) should be worked out carefully and that they should be comprehensive. India also emphasised that it would participate in such a conference only if there was a formal a priori assurance that the proposed enlarged Asian conference would be an interim step towards holding a global conference on nuclear non-proliferation and disarmament within a definite time limit.
6. India clearly indicated to all its interlocutors that it shall develop and deploy missiles of

various categories depending upon its security requirements and it will not accept unilateral, or admonitory stipulations and disciplinary measures from any quarter.

7. When the United States changed its position on nuclear testing, thus enabling beginning of negotiations, India agreed to work together to finalise a comprehensive and non-discriminatory test ban treaty. On the U.S. proposal on observing fissile material production restraint, unilaterally or bilaterally, with Pakistan, India was successful in moving the issue to the U.N. General Assembly and then to the Conference on Disarmament.

In keeping with her long standing approach to nuclear disarmament as the first step towards general and complete disarmament, India was actively associated with global measures which would be essential for the elimination of nuclear weapons in a time bound manner. Progress was achieved, to some extent, in the area of a comprehensive test ban and a freeze in the production of fissile material for weapons.

India had been, for long, calling for a comprehensive ban on nuclear testing . It was only in 1993 that there was a perceptible shift in the stand of the nuclear weapons states on this issue. In December 1993 , India co-sponsored a consensus U.N. General Assembly resolution which called for an early conclusion of a CTBT.<sup>1</sup> In January 1994, an Ad hoc Committee of the Conference on Disarmament (CD) on Nuclear Test Ban with a full negotiating mandate to conclude a Comprehensive Test Ban Treaty was established.<sup>2</sup> A draft rolling text of the CTBT was finalised in September 1994. A second draft "rolling text" of the CTBT was circulated in July, 1995. India proposed a draft article on the scope of the treaty. At the Conference on Disarmament (CD), India made a statement, on 25th January, 1996, which contained the following elements.<sup>3</sup> (i) In order to be meaningful the CTBT should be securely anchored in the global disarmament context and be linked through treaty language to the elimination of all nuclear weapons in a time bound framework; (ii) the CTBT must not leave any

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 85.
  2. Ibid, p. 85.
  3. Annual Report, Ministry of External Affairs, 1995-96, New Delhi, p. 93.

loophole for activity , either explosive based or non-explosive based, aimed at the continued development and refinement of nuclear weapons.

Further, to the 1993 U.N. consensus resolution, co-sponsored by India, which called for negotiations on a Convention on the Prohibition of the Production of Fissionable Material for Weapons Purposes, a Special Coordinator was set up at the Conference on Disarmament. India had hoped that a consensus resolution calling for an Ad hoc Committee of the Conference on Disarmament with a negotiating mandate to be set would be adopted in the 1993 session of the U.N. General Assembly, however due to continued differences on the scope of the mandate and the insistence by some countries on the inclusion of stockpiles within the purview, the resolution could not be tabled.<sup>1</sup> In March 1995, an adhoc Committee was established . Even though the mandate of the adhoc Committee had not been spelt out, it was based on the compromise report of the Special Coordinator which, while basing it on the 1993 resolution, does not preclude the raising of any other issue.<sup>2</sup> However, no resolution could be adopted in

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 85.
  2. Ibid, 1995-96, p. 95.

the U.N. General Assembly due to differences on the draft text of the resolution.

However, India had made it clear to the western powers that the CTBT and other related agreements should be non-discriminatory, that all countries, especially the nuclear weapons countries, should undertake reciprocal and equal obligations inherent in them being applied equally, and without discrimination, to all countries, and that the time frame for meeting the obligations should be universal and non-discriminatory.<sup>1</sup>

India also tabled its resolution on the subject of a Convention on the Prohibition of the Use and Threat of Use of Nuclear Weapons. The first committee of the U.N. adopted it with 95 votes in favour, 23 against and 31 abstentions.<sup>2</sup> The voting pattern revealed that some of the Nuclear Weapons States and their allies continued to oppose the resolution. For long, India had been calling for the outlawing of nuclear weapons, on the argument that the use of such weapons constitutes a crime against humanity and a

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1. J.N. Dixit, Across Borders : 50 Years of India's Foreign Policy, New Delhi, 1998, pp. 295-296.
  2. Annual Report, Ministry of External Affairs, 1995-96, New Delhi, p. 95.



violation of the U.N. Charter. Accordingly, India had submitted a statement to the International Court of Justice on 10 June, 1994, as a follow up to a World Health Assembly Resolution of May 1993, requesting the ICJ for an advisory opinion on the legality of the use of such weapons in terms of their effects on health and environment.<sup>1</sup>

As regards the Nuclear Non-Proliferation Treaty was concerned, India opposed the indefinite extension of this treaty in May 1995. India had refused to sign the NPT when it was formulated because of its discriminatory provisions favouring the nuclear weapons powers and leaving them with the option of increasing their nuclear weapons capacities . India's other objection to the treaty was that its other provisions not only denied the freedom of options to non-nuclear weapons countries on armament issues, but also it imposed restrictions on non-nuclear weapons countries from acquiring advanced nuclear technologies for peaceful purposes. India remained constant in its opposition to the nuclear non-proliferation treaty.

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, pp. 85-86.

India resolutely maintained its stand on the NPT while distancing itself from the discussions held in the NPT Preparatory Committee Review, and NPT extension conference by choosing not to be present. On 11th May, 1995, the states parties to the NPT adopted a decision to indefinitely extend the treaty.<sup>1</sup> Despite the efforts of several non-nuclear weapon states, no binding commitment could be secured from the nuclear weapon states on a phased programme of nuclear disarmament within a stipulated timeframe. During the NPT Review and Extension Conference, the states parties decided to give priority to the universalisation of the treaty and specifically called on India, Israel and Pakistan to join the treaty.<sup>2</sup> India categorically stated on 12th May, that the decision taken to indefinitely extend the treaty did not in any way change her position on the NPT which enjoyed national consensus.<sup>3</sup> India would not sign the NPT, in its present form, and would continue to work for achievement of genuine non-proliferation through the

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1. Annual Report, Ministry of External Affairs, 1995-96, New Delhi, p. 94.
  2. Ibid, p. 94.
  3. Ibid, p. 94.

elimination of all nuclear weapons, was the ultimate stand taken by the Indian Government after the indefinite extension of the NPT.

This made it necessary for India to emphasize in all relevant multilateral fora that its support for CTBT and FMCT was based on the belief that they were not merely instruments for dealing with the risk of horizontal non-proliferation, but were an integral part of a step by step approach towards global disarmament. It was, therefore, essential that such measures were placed squarely within a time framework of disarmament process and contain binding commitments on the part of the international community, especially the Nuclear Weapons States to take further measures within an agreed timeframe to move towards the creation of India's shared goal of a nuclear weapon free world.

#### INDIA AND THE NON-ALIGNED MOVEMENT

The end of the cold war and the disintegration of the erstwhile U.S.S.R. on the one hand, and the success of cooperation arrangements at the regional level in different parts of the world such as in Latin America, South East Asia, and Europe etc. on the other,

had brought into question the relevance of the Non-Aligned Movement by 1991. Views were being expressed that India should reexamine the utility of being part of the Non-Aligned Movement on the basis of a precise and clinical reassessment of whether India being part of it would serve India's interests. Such scepticism was based on the ground because the membership of the Non-Aligned Movement had increased, constituting nearly three-fourths of the membership of U.N. itself, individual countries and groups of countries had their own foreign policy agenda in regional terms and in terms of their national interests. Their involvement with the Non-Aligned Movement was only a cosmetic affirmation of commitment.

The Narasimha Rao Government was clear that the old ideological underpinning of the movement, that is, of maintaining distances from the Cold War Blocs did not exist any more. But, at the same time, Prime Minister Mr. Narasimha Rao did not subscribe to the view that the world had come to represent a benign unipolar phenomenon with diminishing prospects of

competition and conflict.<sup>1</sup> In this context, Prime Minister Mr. Narasimha Rao instructed the, then, Indian Foreign Secretary to generate a public debate on India's policies regarding the Non-Aligned Movement by putting the item on the agenda of the Parliamentary Consultative Committee on External Affairs and also by inviting representatives from the media and the academic world for individual discussions.<sup>2</sup> The overarching policy perception which emerged after a series of discussions between February and July 1992 was that the relevance of the Non-Aligned ideology had increased in the context of trends of conflicting interests between the advanced and the developing countries in the areas of arms control, disarmament, international security affairs, and global trading arrangements. It was also felt that the incipient conflict of interests between the advanced and developing countries could be resolved 'not by a confrontationist or isolationist approach, but by modifying the ideological terms of

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1. J.N. Dixit, *My South Block Years : Memoirs of a Foreign Secretary*, New Delhi, 1996, p. 377.

2. *Ibid*, p. 377.

reference of the Non-Aligned Movement and restructuring the projects and programmes of cooperation in all significant fields of international activity.

India based its approach on the reasoning that despite the end of the Cold War, there would be a continued congruence of interests and aspirations among the developing countries. These interests and aspirations, collectively articulated through the Non-aligned Movement, could have some impact on the shaping of the world order being planned by the more powerful countries, however marginal this impact may be. It was the Government of India's anticipation that the new world order, which was in the process of being structured, gave every indication of being an unequal and discriminatory phenomenon in many respects and that if the Non-aligned Movement could fashion a unified stand to atleast reduce, if not totally counter, this prospect, its existence could be useful.<sup>1</sup>

At the Jakarta Summit, India decided to take the stand that the time had come for the NAM to re-examine

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1. H.N. Dixit, op. cit. p. 376.

and redefine its role in a manner which would be responsive to the changed international situation and the challenges faced by the international community after the end of the Cold War. India decided to suggest a new agenda for the NAM, namely : (1) the establishment of a world free from nuclear weapons and other weapons of mass destruction (2) a world where an equitable flow of trade and technology would be ensured, and (3) a situation to be created wherein the Non-aligned countries would come together in combating violence, terrorism and religious fanaticism.

At the 1992 Non-Aligned Movement summit in Jakarta, Prime Minister Narasimha Rao stressed the continuing relevance of the movement and the need to restructure and reorient its organisation and policies. Prime Minister Rao said, "Talking of the blocs, the need for maintaining independence continues whether there are two blocs or three or none. Taking the essence of non-alignment as the assertion of independence, in that view, non-alignment does not become irrelevant at any time..... What is being asked is : Now that there are no blocs, why do you

still say you are non-aligned? But if you are not non-aligned , are you aligned ? No one among us would favour alignment with one bloc even if it is the only bloc. We may agree with it on issues on merit, but we are not aligned with it. So how can you escape the concept of non-alignment?"<sup>1</sup>

Prime Minister Mr. Narasimha Rao called for North-South dialogue and the need for South-South cooperation. He said, "Developing countries must themselves learn to recognise their own capacities and come out of the spell of the glamour of developed countries. The South must respect the South, as a first step towards South-South cooperation."<sup>2</sup> The Indian Prime Minister said that the Non-aligned Movement has to collectively ensure that the New World Order was not based on inherent inequality, intrusive politics or discriminatory regions.

India participated actively in the meetings organised by the Non-Aligned Movement and took an active interest in the work of the Coordinating Bureau

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1. P.V.Narasimha Rao, Selected Speeches, Volume II, 1992-93, New Delhi, p. 379.
  2. Ibid, p. 387.



of the Movement in New York.<sup>1</sup> The Ministerial meeting of NAM, held in New York on 4th October, 1993, was attended by Mr. Salman Khurshid, Minister of State for External Affairs.<sup>2</sup> Two Ministerial meetings were convened during 1993 by Indonesia as Chairman of the Non-aligned Movement. The standing Ministerial Committee(SMC) held in Bali in May 1993 emphasized the importance of reviving the North-South dialogue.<sup>3</sup> The NAM Ministerial meeting on population held in November 1993 revealed the broad unanimity that exists in NAM member states on the need to curb population growth rates.<sup>4</sup> India had taken initiatives and played a key role within the NAM in evolving a constructive and balanced approach to the various issues, and particularly in the case of sensitive issues such as human rights. The Fifth Conference of the Labour Ministers of Non-Aligned Movement and other developing countries was held in Delhi on 19th January 1995.<sup>5</sup> The Conference adopted the Delhi Declaration, and a Plan of 'Action on Labour and Related issues'. These documents

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 98.
2. India 1994, New Delhi, p. 776.
3. Ibid, p. 776.
4. Ibid, p. 776.
5. Annual Report, Minister of External Affairs, 1994-95, New Delhi, p. 98.

reflected the broad developing country consensus, that emerged on key issues such as labour standards, and the so-called "Social clause", and the need for enhancing South-South cooperation on employment related matters.

The Eleventh Non-aligned Conference of Heads of State and Government was held in Cartagena, Colombia from 14 to 20th, Oct. 1995.<sup>1</sup> Out of 113 NAM countries, 108 attended, approximately 45 at Head of State or Government level. The Indian delegation was led by Prime Minister Mr. Narasimha Rao. The question of U.N. reforms, international security and disarmament, development, human rights, social issues and South-South cooperation were debated extensively during the Conference. The Summit focussed on the continuing validity and relevance of the principles and objectives of the NAM, the role of NAM in the changed international scenario and NAM's priorities goals and responses to new challenges.

The Indian Government, under the leadership of P.V. Narasimha Rao, decided to follow the "Nehru line"

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1. India 1996, New Delhi, p. 564.

in foreign policy and reaffirmed the continuing relevance of the Non-aligned movement, and the policy.<sup>1</sup> This Government was in favour of the so-called changes of priorities of the NAM , mainly in favour of economic issues, but that did not mean weakening or winding up of the NAM . Taking non-alignment as sovereign individual policy stance, it implied the complete freedom of options to take decisions related to national interests, and objectives without being subject to any extraneous pressure or external influence to the extent possible . In this sense, the principles of non-alignment always remained relevant to India's foreign policy. Being part of NAM , however, was predicated on the presumption that all the members of the movement were ideologically and operationally committed to the concept of non-alignment and there was a similarity of interests and concerns. This convergence of interests and aspirations among the developing countries, India felt, could be collectively articulated through the Non-Aligned Movement which could serve as a forum for the third world countries against the more powerful advanced countries.

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1. M.S. Rajan, India and NAM, World Focus, Nov.-Dec., 1991, New Delhi, p. 24.

# Chapter-V

ECONOMIC DIPLOMACY

In the early nineties, India had come under severe balance of payments problems. It had accumulated huge external debt to the tune of Rs. 80,000 crores, unprecedented in India's post - independence period. The large part of this borrowing was effected from the mid eighties when the prudent policy towards external borrowings was abandoned. Moreover, the share of short term commercial borrowings in total borrowings increased from a negligible level to almost 30 per cent. India was on the verge of not being able to honour its debt repayment commitments. This difficult predicament of India was further complicated by the downgrading of India's high credit rating by agencies like Moody's. Creditors demanded adherence to the repayment schedules while foreign governments and other lenders refused to bail India out. In a sad and dramatic moment it had to mortgage its gold to get money to honour its commitments. This also led India to seek assistance from the International Monetary Fund (IMF) standby credit arrangements, under conditionalities. Prior to the signing of the credit arrangement from the IMF, India

devalued the rupee to establish its credentials as a country which would go through the conditionalities imposed by IMF. Emergency balance of payments financing was, later on, provided by the World Bank, also. It was against this background that the Narasimha Rao Government adopted the economic liberalisation and structural adjustment programmes.

On the international front, after the end of the Cold War, economic considerations weighed far more in the foreign and security policies of nations than before. There was a clearly discernible trend towards globalisation of the international economy, and an increasing emphasis was being placed on market orientation and privatisation. Perhaps, for the first time in world history, there was a truly global economy in which decisions concerning production, distribution, capital and technology flows were taken not on a national, but on a global basis. Some of the principal features, that characterised the structural transformation of the world economy were:<sup>1</sup>

a) Economies across the globe were becoming

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1. Foreign Affairs Record, Volume XXXVIII, No.3,1992 pp. 103-104.

increasingly enmeshed and inter dependent. Contrary to conventional wisdom, the world was far from being unipolar, with the U.S.A., at its centre. Japan, and an increasingly integrated European Community, with a resurgent Germany as its dominant underpinning, were emerging as two new centres of economic and financial power.

- b) While commodity, financial and money markets, were tending towards globalisation, there was a parallel tendency towards regionalisation.
- c) The principles of open, multilateral and relatively free trade, with special privileges for developing countries were now under pressure. The concepts of the reciprocal market access and managed trade were gaining ground.
- d) While the major economic powers were competing fiercely among themselves, they were, at the same time, cooperating closely for maintaining and strengthening the international order, shaped to ensure their continuing prosperity and economic domination.
- e) There was an overall deterioration, in the external economic environment, from the

standpoint of developing countries, involving worsening terms of trade, the collapse of commodity prices, which in real terms, have reached their lowest levels in many decades, increasing problems in accessing technology, protectionist pressures, and reductions in the resources, available for development.

- f) Developing countries were also affected, by measures pursued by the major economic and political powers, such as the attempt to freeze the level and pattern of development of the developing countries, in the name of safeguarding the environment, and creation of ad-hoc regimes, restricting the exports of dual purpose substances, equipment and technologies, in the name of non-proliferation.

In such a rapidly changing external economic environment, India needed a carefully crafted strategy to safeguard and promote its economic and commercial interests. India needed to take an integrated and realistic view of its interests in the world, and be flexible, in responding to the rapid and dramatic



changes, taking place in the international economic and political scene. It was no longer possible to view India's foreign political and economic relations, separately nor can it afford to permit compartmentalisation in the initiatives it may require to take, at the bilateral, regional and multilateral levels. India had, therefore, to bring about adjustments in its foreign policy, not so much, in its basic principles and objectives, as in terms of re-ordering of priorities, shift of emphasis, and changes in approach and methods. These changes were necessary if India was to meet effectively, the changes of, and the opportunities offered by, the changes in the international situation at that time.

It was against this background, that the Ministry of External Affairs, under the Narasimha Rao Government, tried to give special attention to the economic dimensions of India's foreign policy. The activities of the Economic Coordination Unit, which was set up in 1990, acquired a new dimension as a result of the changes in the economic policy announced by the Narasimha Rao Government, since July 1991.<sup>1</sup> It had to

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1. Annual Report, Ministry of External Affairs, 1991-92, New Delhi, p. 67.

monitor external economic developments, examine their impact on India, and propose coordinated, and integrated responses, on behalf of the Government of India. Advancement of the economic interests, in fact, became the predominant consideration in the conduct of India's foreign policy. India's new economic policies provided greater manouverability in conduct of its foreign policy. The opening up of investment opportunities in India provided large corporations in the industrialised countries a stake in the stability and strength of the Indian economy.

The Economic Coordination Unit played the role of an investment promotion agency at a time when there was no established institutional framework for performing this important activity. A major investment seminar was held in Singapore in October 1991, to attract Foreign Direct Investment (FDI) to India, and to create greater awareness of the new economic policies among potential investors.<sup>1</sup> A composite media package entitled "Doing Business with India" comprising a set of brochures, a floppy diskette and a video film was prepared especially for this occasion.

Steps were taken by the Ministry of External Affairs to reorient the functioning of Indian Missions

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1. Annual Report, Ministry of External Affairs, New Delhi, 1991-92, p. 67.

so that they could play a more active role in promotion of India's exports both in terms of commodities and projects. Special emphasis was given on promoting exports in extreme focus areas. All Missions were asked to prepare comprehensive economic and commercial notes on countries of their accreditation, which were passed on to the trade and industry associations for dissemination among the business community. To assist the commercial representatives in Indian Missions, the Economic Division brought out the third edition of the Trade Directory containing useful information on export promotion bodies, commodity boards, important public sector organisations, trade and industry bodies, institutions dealing with credit and finance besides references of Government officials dealing with trade promotion and investment issues.<sup>1</sup>

The Economic Division of the Ministry of External Affairs also assisted in mobilising foreign participants and visitors to trade fairs in India. Trade and industry delegations visiting abroad were extended all possible assistance to make their visits

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1. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 98.

productive and useful. The Division was also instrumental in activating the Joint Business Councils and promoting them as forums for furthering India's economic interests through participation of private entrepreneurs, and business and industry organizations.

The Economic Coordination Unit also played a more direct role in the country's efforts to attract investment. It was directly involved in arranging programmes for visiting business delegations, facilitating their interaction with concerned Ministries and business entities and organizing investment promotion events in target countries. Investment promotion seminars were organized in Los Angeles and the west coast of the U.S.A. in April, 1992, and in Taiwan in October, 1992 and it also helped with the Business International Round Table in Delhi in May, 1992.<sup>1</sup>

Another important aspect of Economic Coordination Unit's (ECU) investment promotion efforts was its interactions with the economic Ministries with the purpose of keeping Indian Missions, especially those in target countries, informed on a regular and

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1. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 101.

immediate basis of the on-going changes in India's economic policies . It also instituted a system of obtaining regular feedback from the Missions on responses and reactions to India's economic reform programmes among the industrialised countries in general and the international business community in particular. This feedback formed the basis of periodic reports that this Ministry sent to the Foreign Investment Promotion Board (FIPB) on the on-going investment promotion efforts and on the bottlenecks that remained to be removed to facilitate significant inflows of foreign capital. Finally, as a natural corollary to these activities, ECU liaised closely with apex industry organizations, business houses, concerned Ministries and State Governments on ways and means of facilitating investment procedures and improving the overall quality of investment promotion efforts.<sup>1</sup>

Following the decision of the Government of India to entrust the work relating to investment promotion abroad to Indian Embassies and Posts, the Ministry of External Affairs designated an officer in

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1. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 101.

each of its Mission abroad to handle investment work.<sup>1</sup> A large number of high level seminars were organised in important business centres in Europe, Japan , South-East Asia and U.S.A. to project India as an investment destination and to create greater awareness of business opportunities in India.<sup>2</sup> A special effort was made to attract British investment through the Indo-British Partnership Initiative , involving close cooperation between the two Governments as well as trade and industry in two countries.

Special emphasis was placed on a sector specific approach in Mission's investment promotion efforts. In Germany for instance, a series of seminars were arranged in March 1993 focussing specifically on the software industry; in Japan seminars were organised on castings and forging into auto-components, to name only two sectors, another seminar in Singapore in May 1993 concentrated on investment opportunities in the Indian capital market and a similar sectoral approach was followed in other countries as well, such as U.S.A. and Australia.<sup>3</sup>

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1. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 107.
  2. Ibid, p. 107.
  3. Ibid, p. 107.

Special importance was given to developing publicity material aimed at projecting India as an investment destination. A number of Indian Missions started bringing out economic newsletters and bulletins focussing on the new economic policies and aimed at generating greater awareness about business opportunities in India.<sup>1</sup> Besides the diskette "Doing Business with India", two slide packages were prepared in collaboration with Confederation of Indian Industry (CII) and Associated Chambers of Commerce (ASSOCHAM) to assist the Missions in projecting the new economic policies, and to supplement it a special computer aided visual package was prepared in collaboration with the Industrial Credit and Investment Corporation of India (ICICI)<sup>2</sup>. A 12 page flier, presenting the salient features of India's economic reforms introduced by India and her various advantages as a country to invest in, was produced by Economic Coordination Unit (ECU) and was first used during the Indian Prime Minister's visit to the United States in May 1994.<sup>3</sup> In November, 1994,

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1. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 108.

2. Ibid, pp. 108-109.

3. Ibid, 1994-95, p. 120.

ECU published 10,000 copies of a set of six brochures, "India Means Business" for distribution through Indian Missions and Posts abroad.<sup>1</sup> In addition to information on the economic profile of the Indian economy, these brochures contained useful information on trade, investment, the financial sector, the size of the market and opportunities in specific sectors. ECU also published 20000 copies of a composite brochure entitled "India-Business Perspectives" in collaboration with a professional management consultant, containing up-to-date information on the regulatory environment, incentives for foreign investment, banking and finance the Indian Tax system, Company Law and Accounting.<sup>2</sup>

The ECU coordinated the visits of the Yamashita Economic Mission despatched by the Government of Japan in March 1994, as a follow up to the visit of the Ishikawa Mission in January 1992, the Korean Economic Mission in May 1994 and the Hong Kong Trade Development Council delegation in August 1994.<sup>3</sup> The Ministry of External Affairs was also closely involved in various

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 120.

2. Ibid, p. 120.

3. Ibid, pp. 121-122.



investment . promotion seminars in India by other ministries as well as apex chambers and other economic organisations. Prominent among these were INVESMART organized in April 1994 by the Ministry of Industry in collaboration with UNIDO.<sup>1</sup> Indian Missions and Posts were actively involved in promoting INVESMART and ensuring good participation from countries such as France, Italy, U.K., U.S.A. and Singapore.

A set of 8 sector specific brochures and 4 region specific brochures was being prepared by the Ministry of External Affairs in collaboration with a reputed economic consultancy organisation.<sup>2</sup> The sectors to be covered were agro processing and packaging, chemicals, pharmaceuticals, textiles, electronics and electronic components, automobile ancillaries and tourism related infrastructure.

The Ministry of External Affairs not only became actively involved in the interpretation and projection of India's economic policies and objectives, but also became a participant in an advisory role in the

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 123.
  2. Ibid, p. 127.

formulation of these policies and in defining Indian interests and objectives in the context of anticipated external attitudes and responses from the international community. However, the Ministry of External Affairs encountered some problems.<sup>1</sup> The first major problem pertained to resource constraints and shortage of manpower because the additional personnel needed to undertake the required networking for the implementation of India's new foreign economic policies were just not available. Secondly, the structure and organisation of the Indian bureaucracy was resistant to the lateral infusion of specialists and experts into the relevant department of the government to remedy the predicament that the Indian missions abroad as well as the headquarters remained understaffed at the middle and higher middle operational levels.

In order to attract foreign investment, Prime Minister Mr. Narasimha Rao himself, addressed the World Economic Forum on 3rd February, 1992 at Davos, Switzerland. The Indian Prime Minister said, "The economic liberalisation process is the logical

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1. J.N. Dixit , Across Borders : 50 Years of India's Foreign Policy, New Delhi, p. 319.

continuation of the strategy of development adopted by India. It is a process necessary to take India to a new and higher level of growth. The decisions we took were well considered. The process will continue and is irreversible."<sup>1</sup> He hoped "with its vast and growing market, India can become a powerful engine for the growth of the Asian as well as the global economy. This is of great significance at a time when growth in several developed economies appears to be decelerating and access to their markets is becoming more difficult."<sup>2</sup> India was represented at the 1994 Annual Meeting of the World Economic Forum at Davos by a delegation headed by the Prime Minister and included Commerce Minister Mr. Pranab Mukherjee, Mr. Sharad Pawar, the Chief Minister of Maharashtra, the Principal Secretary to the Prime Minister, Finance Secretary and several other officials of the Government of India and major industrialists. The 1994 meeting had as its theme "Redefining the Basic Assumptions about the Great Challenges Facing Mankind." At the request of the World

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1. Foreign Affairs Record, Volume XXXVIII, No. 2, 1992, New Delhi, p. 91.

2. Ibid, p. 91.

Economic Forum, the Prime Minister addressed the validictory session as the final speaker on 1st February, 1994.<sup>1</sup> In addition, India was one of the seven countries chosen for a special country specific session where the Prime Minister the Commerce Minister and other Government officials answered questions from a packed audience on India's economic reforms, and new business opportunities. The importance given to India at Davos and the high degree of interest expressed by the members of the international corporate community present were indicative of increasing foreign interest in India as an investment destination and the growing conviction that the reforms were there to stay, and would be carried forward.

After the end of the Cold War, there may have been one military superpower, the United States, but in the economic sphere there was multipolarity with the U.S.A., Japan, Europe and the newly industrialised countries such as Singapore, Taiwan, South Korea, Thailand, Indonesia, and Malaysia, as the power centres. This

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1. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, pp. 109-110.

Government realised the rapidly growing importance of the economic dimension of international relations and its economic diplomacy was geared to improve its economic relations with these countries.

Taking this into account, one of the first foreign trips undertaken by Prime Minister Mr. Narasimha Rao after coming to power in June 1991 was to Germany. The Indian Prime Minister called for Germany's support in India's economic renewal. He said, "Today, Mr. Chancellor, when India is embarked, on a historic endeavour for economic renewal and revitalization, we know we can count upon German understanding and support. I believe there is a strong mutual interest in enabling India to make a success of its bold, and sweeping reforms. There is a potential for an enduring and mutually rewarding partnership that has barely been explored."<sup>1</sup> Chancellor Kohl visited India from 18 to 22 February, 1993. The focus of attention was on economic issues. Mr. Kohl assured the Indian Prime Minister that he would resolve those problems ~~related~~ to defence supplies and augmentation of economic assistance as

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1. P.V. Narasimha Rao, Selected Speeches, Volume I, 1991-92, New Delhi, p. 314.

distinct from investment and trade.<sup>1</sup> Prime Minister Mr. Narasimha Rao visited Germany, again, in February 1994. Addressing the Indo German Business/<sup>Conference</sup>at Bonn on 3rd February, 1994, the Indian Prime Minister set at rest any doubts about the economic reforms. He said, "... the Indian Government after embarking on this programme two and half years ago, is pressing ahead. This is what I really want to assure you that there is absolutely no hesitation, no second thought, no dilution of any kind in our resolve to press ahead with these reforms."<sup>2</sup> He, further, added that India was satisfied with whatever has been achieved by way of foreign investment, but the impact which was to be made in the economic situation in India was, still, to be felt, therefore, India would like this process to be intensified as far as possible and as quickly as possible.<sup>3</sup> He also welcomed suggestions from the Germans as what they would want to be done because, as he observed, "it is not just a matter of one industry being set up there. It is a question of the totality of economic relations and the

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1. J.N. Dixit, My South Block Years : Memoirs of a Foreign Secretary, New Delhi, 1996, p. 285.
  2. P.V. Narasimha Rao, Selected Speeches, Volume III, 1993-94, New Delhi, p. 429.
  3. Ibid, p. 429.

totality of the economic prospects of the whole world."<sup>1</sup>

The Indo-British economic relations also improved. When Prime Minister Mr. John Major visited New Delhi from 23 to 27 January, 1993, he was accompanied by a delegation of British businessmen, who held detailed discussions with their counterparts in India. The interaction between the private sectors of India and the U.K. was called the "Indo-British joint business initiative". This forum was entrusted with the task of expanding Indo-British economic and technological cooperation and its members were to report to the respective Prime Ministers once every six months or so.<sup>2</sup> The Indo-British business initiative proved to be a successful experiment and an effective catalyst in furthering the Indo-British economic relations.

In overall terms, however, there was a quantitative increase and qualitative improvement in India's economic relations with the European Community

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1. P.V. Narasimha Rao, Selected Speeches, Volume III, 1993-94, New Delhi, p. 430.
  2. M.N. Dixit, My South Block Years : Memoirs of a Foreign Secretary, New Delhi, 1996, p. 278.

countries under the Narasimha Rao Government . This improvement was reflected in the increased number of high-level governmental and private sector delegations which exchanged visits; in the number of investment seminars held in different parts of India and Europe and in the increase in the volume of investment between India and the European Community. When Prime Minister Mr. Narasimha Rao visited France in June 1995, he was accompanied by a high level business delegation. Speaking at a banquet hosted in his honour by the Premier of France, Mr. Alain Juppe at Paris on 13th June, 1995, the Indian Prime Minister lamented, that India's economic reform had not generated a matching upswing in the areas of trade, investment, technology, transfer and joint ventures, but he believed that with domestic deregulation and the opening up of virtually all sectors of the Indian economy to foreign investment, India had much to offer to the French business and industry in terms of a propitious climate for collaboration to mutual benefit and looked forward to increased interaction from the French.<sup>1</sup>

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1. P.V. Narasimha Rao, Selected Speeches, Volume IV, 1994-95, New Delhi, p. 444.



Of all the industrially advanced countries interacting with India, apart from the U.S.A., Japan was the most responsive to the economic transformations undertaken by India. India's economic restructuring and reforms programmes provided an impetus to the Indo-Japanese economic relations and added new dimensions to it. Soon after the Narasimha Rao Government came into power in 1991, the Finance Minister Dr. Manmohan Singh established contacts with his Japanese counterparts, thereby laying the foundation for increasing the content of the Indo-Japanese relations.<sup>1</sup> The Ministries of External Affairs, Finance and Commerce undertook coordinated action in consultation with the confederation of Indian Industries (CII) and the FICCI (Federation of Indian Chambers of Commerce and Industry) to explore possibilities of establishing high level economic contacts between the two countries not only at the governmental level but also at the private sector level. Japan was the first country to send a large high level business delegation, led by K. Ishikawa, to

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1. U.N. Dixit, My South Block Years : Memoirs of a Foreign Secretary, New Delhi, 1996, p. 254.

India late in December 1991.<sup>1</sup>

Prime Minister Mr. Narasimha Rao visited Japan from 22 to 26 June, 1992.<sup>2</sup> The Indian Prime Minister met the Japanese Ministers of International Trade and Industry (MITI) and Finance and leaders of the five major economic organizations of Japan as well as of Japanese business and industry having special ties with India. The Japanese demonstrated strong interest in India's policy initiatives on economic liberalisation and the opening up of the Indian economy. Japan retained the top list of ODA (Official Development Assistance) donors.

Despite occasional irritants, Indo-Japanese trade expanded. Japanese investments in India also increased, but Japan remained impatient with regard to the speed, and the extent of the economic liberalisation in India. Japan, nevertheless, invested financial, technological, and manpower resources in several core sectors of the Indian economy such as electronics, automobiles, banking, shipping and port development. However, India

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1. J.N. Dixit, My South Block Years : Memoirs of a Foreign Secretary, New Delhi, 1996, p. 254.
  2. Annual Report, Ministry of External Affairs, 1992-93, New Delhi, p. 36.

figured in the Japanese scheme of priorities after the U.S. and the Western European Countries, China and Russia, and the countries in the ASEAN and Asia Pacific region.

South Korea was another country to which India attached importance in its scheme of economic diplomacy. The enhanced importance that India attached to Republic of Korea led to the visit of Prime Minister Mr. P.V. Narasimha Rao from 9 to 11 September, 1993, the first ever by an Indian Head of Government to South Korea.<sup>1</sup> Addressing the Presidents of Apex Economic Organizations of Republic of Korea, on 10 September, 1993, Prime Minister Mr. Narsimha Rao invited the Korean businessmen to come to India, and to partake the opportunities that existed after the opening up of the Indian economy to foreign investment.<sup>2</sup> The Indo-Korean Joint Business Council held its annual meeting when the Prime Minister was in Seoul, and decided to double India-Republic of Korea trade within three years from that time's figure of about U.S. \$ 1 bn.<sup>3</sup> The President

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1. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 23.
  2. P.V. Narasimha Rao, Selected Speeches, Volume III, 1993-94, New Delhi, p. 406.
  3. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 24

of the Republic of Korea paid a state visit to India from 24 to 27 February, 1996 along with 38 top businessmen.<sup>1</sup> The Korean President addressed a joint meeting of the top Indian, and Korean businessmen organised by FICCI, ASSOCHAM and CII. A Bilateral Investment Promotion Agreement was signed for 1996-98.

While expanding relations with South Korea had no political hurdles, structuring relations with Taiwan was a much more complicated task. India has a one China policy, i.e. India does not recognize Taiwan as a separate political entity. India had no formal or diplomatic relations with Taiwan, despite that country being one of the Asian economic tigers. With foreign exchange reserves of over 70 bn dollars, with its technological and commercial expertise, Taiwan could have been an important contributor to India's economic resurgence. The Government of Taiwan, as well as its National Chambers of Commerce and Industry were equally interested in getting involved with India in view of its liberalising and modernising its economy. However, establishing economic relations with Taiwan was an

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1. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 19.

exercise which had to take into account China's political sensitivities and concerns . Initial contacts between Taiwanese trade officials and Chambers of Commerce and Industry and Indian representatives took place in Tokyo, Hong Kong and Geneva. These contacts led to a preliminary decision that Taiwan would be allowed to open an economic or commercial office in Bombay and that India would open a similar office in Taipei later.<sup>1</sup> The Chinese Government was not very happy about the Indian initiatives in this matter. India was told that the Chinese would take serious note of any formal contact between India and Taiwan and that such contact could have an adverse impact on overall Sino-Indian relations.<sup>2</sup> The Indian answer to the Chinese objection was that if they accept the U.S.A., West-European countries and Japan having relations with Taiwan even of a political nature and still continue to have an easy relationship with those countries, there was no justification for their objecting to India having contacts with Taiwan, particularly when India was assiduously limiting its relationship to economic

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1. J.N. Dixit, . My South Block Years : Memoirs of a Foreign Secretary, New Delhi, 1996, pp. 315-316.
  2. Ibid, p. 316.

and commercial contacts.<sup>1</sup> Ultimately, the Taiwanese trade office opened in Bombay in 1992 and the Indian commerce and trade office opened in 1995 in Taiwan.

The policy of economic liberalisation unleashed by the Narasimha Rao Government in 1991 led to a 'Look East' policy towards the newly industrialised countries- Singapore, Malaysia, Thailand, and Indonesia. The Indian Prime Minister visited Thailand in April, 1993.<sup>2</sup> Both sides agreed to take specific action to augment trade and expand economic relations between the two countries. The Singapore industry and corporate sector displayed a high level of interest in India, particularly in the wake of India's economic liberalisation and her attempt to integrate with the global economy. When Mr. Goh Chok Tong visited India in the last week of January, 1994 as the Chief Guest at the Republic Day celebrations, he was accompanied by a delegation of Chief Executive Officers (CEO's) of 36 major business houses. His visit was aimed towards forging a strategic economic alliance with India for coordinated action by the Governments and business in both countries to enhance joint ventures in diverse

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1. J.N. Dixit, My South Block Years : Memoirs of a Foreign Secretary, New Delhi, 1996, p. 316.
  2. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 12.

areas such as tourism, civil aviation, telecommunications, real estate and highways, financial services, ports and shipping, warehousing and information exchange.<sup>1</sup> The Malaysian Prime Minister Dr. Mahathir Mohammad had visited India in December 1993 in connection with the G-15 meeting.<sup>2</sup> During the bilateral discussions, six Memorandum of Understanding were signed in various fields with Indian private and public firms. Prime Minister Mr. Mahathir Mohammad visited India again in March 1994, for the reconvened G-15 summit meeting. Malaysian investment picked up rapidly in India in the areas of telecommunication equipment, rubber products, software production, electrical apparatus, shrimp and prawn cultivation.<sup>3</sup>

Prime Minister Mr. Narasimha Rao visited Singapore in September, 1994 within a short span of eight months of the Singapore Prime Minister's visit to India in January, 1994.<sup>4</sup> The discussions that took place focussed primarily on economic exchanges in which both sides saw immense potential for India. Public housing,

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1. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 13.
  2. Ibid, p.13.
  3. Ibid, 1994-95, p. 19.
  4. Ibid, p. 16.

power generation, telecommunications, in addition to terrorism and civil aviation were identified as sectors for possible cooperation with Singapore in India. A Memorandum of Understanding on Foreign Office Consultations and a dozen corporate agreements involving warehousing, real estates, telecommunications etc. were signed during the visit.<sup>1</sup> Delivering the highly prestigious "Singapore Lecture" on "India and Asia Pacific : Forging a new Relationship", Prime Minister Rao said, "India's economic imperatives should be seen both in short term and long term perspectives. Right now, the necessity of massive investments in power, oil, telecommunications, fertilizers and of course, agriculture and irrigation, apart from roads, railways and ports. I have come to extend my hand of partnership in this adventure - a partnership having so much in common, and so close already in multifaceted cooperation. Investment is coming from several industrialised countries already. My present endeavour is to draw, as much as possible investment and cooperation from the Asia-Pacific countries, in consonance with our common concept and

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 17.



solidarity and my faith in our common destiny."<sup>1</sup>

Prime Minister Mr. Narasimha Rao visited Malaysia in August, 1995. A 24 member business delegation was in Kuala Lumpur to coincide with Prime Minister's visit. Five Agreements/Memoranda of Understanding were signed in the presence of the two Prime Ministers on Bilateral Investment Protection , Coopertion in the Highway Sector, Doordarshan and Binarung on Satelllite Communication, Anterix and Maxstar on Malaysia's Space Programme and Confederation of Indian Industry and Malaysian Industrial Development Authority (MIDA) on industrial cooperation and investment. A number of corporate agreements were also signed during the course of the visit.<sup>2</sup>

The Indian Prime Minister, also, visited Vietnam in September 1994.<sup>3</sup> Both sides agreed to upgrade economic linkages. With market oriented reforms taking place in both countries, time was opportune to

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1. P.V. Narasimha Rao, Selected speeches volume IV, 1994-95, New Delhi, p. 399.
  2. Annual Report, Ministry of External Affairs, 1995-96, New Dehli, p. 22.
  3. Ibid, 1994-95, p.17.

substantially enlarge areas of cooperation in the economic field. The visiting Indian business delegation signed six corporate agreements relating to investments and joint ventures in Vietnam.<sup>1</sup>

The economic liberalisation in India was viewed positively by South-East Asian countries who had investible surplus along with marketing and managerial skills. Efforts to synergise the complementarity in the economies of India, and the region continued and succeeded in numerous productive ventures both in India and in the South East Asia region. Meetings of Joint Business Councils with several countries and seminars on "Doing Business with India" were instrumental in fuelling further interest in the Indian economy, at the same time bridging some of the information gap.

When Prime Minister Mr. Narasimha Rao had visited the U.S.A., speaking at the luncheon hosted by Greater Houston Partnership on 16th May, 1994, he pointed out, "India has several strengths that attract and justify capital investment. It is a huge market. It has the world's third largest pool of technical

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 18.

manpower, with a capacity to absorb any technology, however, sophisticated . It has several other relative advantages. By investing in our economy, benefits would accrue to us as well as to the American Industry."<sup>1</sup> Earlier in April 1994, President Bill Clinton in a letter to Congressman James A. McDermott and 28 others called for strong economic ties with India, describing India's economic reforms as "impressive" and one that offered "exciting possibilities for our (U.S.) bilateral trade and economic relations."<sup>2</sup> After the Indian Prime Minister's visit, Energy Secretary Ms. Hazel O'Leary led a delegation of businessmen to India in July followed by the visit of U.S. Secretary of Commerce along with 26 Chief Executive Officers of Multi National Corporations in January 1995, which also led to the establishment of U.S.- India Commercial Alliance.<sup>3</sup> The U.S. was the single largest foreign investor in India.

However, major difficulties as well as certain significant hurdles were encountered while trying to

1. P.V.Narasimha Rao, Selected speeches, Volume III 1993-94, New Delhi, p. 468.
2. Vinay Kumar Malhotra, The Clinton Administration and South Asia, 1993-97, New Delhi, 1997, pp. 358-159.
3. Ibid, p. 157.

project India's economic policies and programmes through the Indian foreign policy statements and through the operation of the Indian missions.<sup>1</sup> The first hurdle was that party politics interfered with administrative and political measures while implementing the economic reforms introduced by Mr. Narasimha Rao and Dr. Manmohan Singh. Larger inputs in the core sector of the Indian economy remained a cautious exercise on the part of the foreign investors in the background of consistent criticism voiced in the tirades of certain political parties and leaders. Foreign companies could not invest extensively in India till they were convinced that a national consensus existed regarding Indian economic reforms and that such reforms would continue regardless of changes in government to which any democratic society is subject. The second hurdle was that provincial or state governments and their bureaucracies not being fully aware of the very fundamental changes which the Union Government was bringing about in the Indian economy and in the management of the country's economic activities. There existed a gap in the flow of updated information

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1. J.N. Dixit, Across Borders : 50 Years of Indian Foreign Policy, New Delhi, 1998; pp. 311-313.

from the Centre to the state governments. The situation was compounded by the fact that the bureaucracies in the Central Government were reluctant to divest themselves of their prerogatives and powers in implementing the new economic policies. While decisions would be finalised at the political level, at the bureaucratic level they would be delayed or misinterpreted or they would be subjected to procedural involutions, due to long established vested interests which slowed down the process of economic changes which the governments wanted to bring about and, more importantly, it adversely affected the image of Indian efficiency and credibility in the eyes of the world at large. Thirdly, certain sections of the Indian business community, long used to operating in a protected, non-competitive environment, were not enthusiastic about the changes being brought about. The repeated demand for a 'level playing field' in many cases camouflaged the advocacy for continuing protectionist measures or safeguarding those sections in the private sector which were not willing to become more competitive, more productive, and more quality conscious in their operations.

The logical argument put forward by Prime Minister Rao, that the measures taken by various elected Governments of India in structuring India's economy at each stage of its evolution since independence were relevant and valid at those given points of time and that India should not be afraid of change, did not wash with certain sections of the Indian business community who wanted to be secure about their profits based on limited and poor quality and low productivity.<sup>1</sup> Even more important was the fact of their unwillingness to read the writing on the wall that if India did not anticipate the emerging challenges in the international economic environment and if it did not fashion appropriate and effective responses to them, India would face certain inevitable consequences, adversely impinging on the well being of the vast <sup>population</sup> and on related developmental needs.

Moreover, vested interests trying to hinder or sabotage projects and programmes with foreign collaboration and foreign investment in a vast country like India was inevitable. The Government of India

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1. J.N. Dixit; Across Borders : 50 Years of India's Foreign Policy, New Delhi, 1998, p.313.

remained enmeshed in a continuing exercise in crisis management while implementing its reforms and restructuring programme. Adverse developments relating to Enron (a power project in Maharashtra) and a number of foreign projects which occurred between 1994 and 1996 confirmed the continuation of a xenophobic phenomenon. All such developments inevitably created the impression abroad that continuity in India's policies and commitments to projects and programmes were subject to vagaries of populist politics which affected the pace of economic reforms which was a cause for further suspicion in the minds of foreign investors. If mistakes were made while negotiating certain projects and if procedural lapses had resulted the remedy would have been to fix the responsibility on those Indian individuals and organisations who made commitments to parties abroad and subject them to remedial or punitive action, the solution did not lie in scrapping the projects which would have ultimately benefitted the people.

On the multilateral level, the Uruguay Round of negotiations were completed, during the tenure of the Narasimha Rao Government, which led to the

establishment of the World Trade Organisation (WTO). However, the Ministry of External Affairs did not play any major role in the final stages of the Uruguay Round of negotiations, and in the finalisation of the agreement which was signed at Marakash in Morrocco in 1995. The substantive advisory role in policy making in this respect was played by the Finance Ministry, the Commerce Ministry and Prime Minister's Office. Despite the responsibilities assigned to the Foreign Office for economic policy, the Ministry of External Affairs played only a limited role in the process. More detailed and continuous consultations with the Ministry of External Affairs would have perhaps enabled India to evolve a policy containing checks and balances and options to counter the later demands and stipulations as well as additionalities of the industrially advanced countries which were detrimental to India's interests in terms of intellectual property rights, agricultural products and effective control over India's biodiversity and genetic sources. This shortcoming could be explained rationally by the way that the role of the Ministry of External Affairs was still in the process of evolution and expansion in the sphere of economic diplomacy in the context of the profound



changes which Indian economic policies had been undergoing since the Narasimha Rao Government came to power.

India made efforts to establish closer linkages with the regional groupings in different parts of the world. India established a sectoral dialogue partnership with the ASEAN in 1993.<sup>1</sup> The sectors identified for cooperation were trade, investment and tourism. An India - ASEAN Economic Cooperation Committee was set up as a counterpart to the ASEAN Chambers of Commerce and Industry. Progress was made on developing a plan of action in all sectoral areas. These included : work on trade, liberalisation, facilitation and promotion; establishment of an ASEAN-Indian Trade and Investment Information and Promotion Centre, collaboration and joint ventures in India, ASEAN and third countries, encouragement of ASEAN investment in highways, power and telecommunication sectors in India; cooperation in preparation of master plan for tourist destination development, exchange of information and technology, joint promotion of tourist

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1. Annual Report, Ministry of External Affairs, 1993-94, New Delhi, p. 99.

destinations in India and ASEAN, development of integrated tourism marketing programme for India in selected ASEAN markets, cooperation between national carriers of ASEAN countries and India, convening of joint workshops of ASEAN and Indian scientists and technologists to identify specific modalities of collaboration in science and technology, cooperation in areas of advanced materials, bio-technology and information technology.<sup>1</sup>

In its attempt to establish closer economic ties with the fast growing economies of East Asia and the Pacific region, India followed with interest to establish contacts with the evolving Asia Pacific Economic Cooperation (APEC) grouping. India applied for membership in September, 1991, on the eve of the APEC ministerial meeting in Seoul. Subsequently, India's request for participation in APEC activities was pending along with those of Russia, Argentina, Peru, Israel and Iran, since the APEC Ministerial meeting at Seattle in November, 1993 imposed a moratorium for admission of additional members for

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, pp. 107-108.

three years.<sup>1</sup> APEC economies accounted for 45% of India's exports, 30% of its imports and 54% of FDI, since January, 1994.<sup>2</sup> India's joining the APEC would confer numerous benefits to both sides and it had been the effort of the Indian Government to put this across to the APEC countries.

In view of the strategic significance and economic potential of the Indian Ocean region, India supported the moves of several Indian Ocean countries for establishment of an Indian Ocean Group for Economic Cooperation. The Indian Ocean Rim Initiative (IORI) was launched in 1995 at Mauritius involving Mauritius, South India Africa, Australia, Singapore, Oman and Kenya.<sup>3</sup> India wanted the IORI to concentrate on economic cooperation and to be a bridgehead between Africa, Asia and Australia with focus on trade liberalisation, facilitation, promotion, investment promotion, trade infrastructure, science and technology, tourism and human resource development.

In view of the important role of the Organisation For Economic Development (OECD) countries

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 109.
  2. Ibid, p. 108.
  3. Ibid, 1995-96, p. 117.

in global economic, financial trade and environment policy making and their importance as India's major <sup>the</sup> trade and investment partners and role being played by the OECD Secretariat as a research arm on development issues, India made contacts with the OECD countries and the OECD Secretariat in Paris to establish a closer association with the OECD. The Finance Secretary of India gave a detailed presentation to OECD on economic reforms initiated by India on July.4, 1994.<sup>1</sup> A breakthrough in India's closer association with the OECD was achieved in December, 1994 when the OECD Council approved the inclusion of India along with Indonesia, and China in their OECD Policy Framework with Dynamic New Major Economies (DNMES).<sup>2</sup> The dialogue with OECD provided India a window into intra-developed country policy thinking especially on emerging issues that would impact on his economy and the liberalisation process. It also provided India an opportunity to give input from its particular perspective and interest. It also helped in developing a coherent view on the new issues that were appearing on the international trade

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 110.

2. Ibid, p. 110.

and investment agenda such as those relating to environment, quality and standards, competition policy, a multilateral investment regime, international labour standards and intellectual property rights.

In its immediate neighbourhood, India offered maximum concessions to the member countries of the South Asian Association of Regional Countries (SAARC), so that the South Asian Preferential Trade Agreement (SAPTA) could come into force on 7th December, 1995.<sup>1</sup> It was also hoped that the South Asian Free Trade Area would come into existence by the year 2000.

In international organizations, India attempted to activate a more focussed and meaningful North-South dialogue, and a new partnership for development which would make for a greater flow of financial resources into developing countries like India, a growth oriented solution to her debt problems, better and considerably enhanced market access for her exports as well as access to critical tools of competitiveness such as technology, particularly high technology and global trade and information network. India also supported the

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1. Annual Report, Ministry of External Affairs, 1995-96, New Delhi, p. 15.

South-South cooperation programme. The G-15 sought to pursue, on a more realistic and implementable basis, the specific goals of South-South cooperation and North-South partnership. Under India's Chairmanship the 4th Summit of G-15 summit was held in New Delhi in March, 1994, wherein it was decided to broaden the scope of intra G-15 cooperation through the establishment of a committee on Trade, Investment and Technology to work towards evolution of trans-regional arrangements for liberalisation, facilitation and promotion of trade investment and technology transfer.<sup>1</sup>

At the 30th Anniversary of the G-77 held in New York in July, 1994, India reaffirmed the historical validity of the concept, purposes and endeavours of the Group of 77 and of her mission to obtain for developing countries a larger voice in global economic decision making.<sup>2</sup> By inserting a development dimension and consensus in international institutions and policies, the G-77 had acted as a development conscience of the world and recorded some gains in this respect . India

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1. Annual Report, Ministry of External Affairs, 1994-95, New Delhi, p. 105.
  2. Ibid, p. 107.

noted that G-77 was at the cross roads having reached a maturer phase after a period of considerable activity and trial . Developing countries , whatever their specificities, would continue to face common problems, and that they would need to work together in the context of the firm but flexible issue based coalitions to further the common cause of development.

The impact of changes in the world economy on India's increasingly liberalising trade and technology driven economy was felt with greater effect because of the growing interdependence of the issue of trade, money, finance, technology and trend towards regional and sub regional economic cooperation and integration . Groupings which excluded India tended to affect her market access in traditional areas, and regions of export interest to India, as also her prospects of attracting investment flows . The coming into force of the North American Free Trade Agreement (NAFTA) among U.S.A., Canada, and Mexico, and the gradual consolidation of cooperation among the Asia-Pacific countries in the context of the first APEC summit in Seattle symbolised this trend. Although the Uruguay Round for setting up a more liberalised, rule based

multilateral trading system concluded with the setting up of the World Trade Organization (WTO), new protectionist pressures, and discriminatory barriers threatened to appear on the trade policy horizon in the form of labour and environment related conditionalities. The structural changes that took place in Eastern Europe brought about a consequential adaptation, and reorientation of India's commercial and economic interaction with them. Economic liberalisation in the developing countries and the impressive economic performance of some of them provided new avenues for cooperation in trade, investment and technology, and at the same time put new competitive pressures on India . Given the criticality of access, transfer and diffusion of technology as an input for economic growth and development, India had to cope with the trends towards monopoly controls and restrictive regimes on technology transfer , particularly those relating to the so-called dual use and sensitive technology.

Above all, India's economic diplomacy had to convince the world at large, that while <sup>India</sup> / understood



the necessity of being an active, and productive part of the globalised economic arrangement, it: also had to ensure optimum levels of social equilibrium and distributive justice in an over populated country like India where economic disparities led to volatile situations.

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# **Chapter-VI**

PERSONALITY AND DECISION MAKING

India passed through a period of grave political and social turbulence during the seven years from 1984 to 1991, marked by the assassination of two Prime Ministers belonging to the Congress party and brief flirtations with power by unstable opposition alliances at the Centre. Mrs. Gandhi was assassinated on October 31st, 1984 by Sikh fundamentalists. Her son, Rajiv Gandhi, who succeeded her as Prime Minister and was subsequently leader of the opposition in Parliament fell to a suicide squad belonging to a Sri Lankan Tamil separatist group at a public meeting near Madras (Chennai) on May 21, 1991, in the midst of a general election campaign in which he was trying to stage a comeback. In between, opposition governments led by Mr. V.P. Singh and Mr. Chandra Shekhar held power for less than a year each. The country was in the throes of a grave economic crisis, with the government facing the imminent prospect of defaulting on external payments.

In the background of that troubled period the emergence of a rationalist and a pacifist leader, the diminutive, softspoken and enduring politician from the

Deccan, Mr. P.V. Narasimha Rao, to head the Congress Party. and the nation as Prime Minister was welcomed by all political parties. Consistency is generally not the hallmark of a politician. To be consistent, and hold power continuously for four decades : this sets Mr. Narasimha Rao some what apart from his peers. All through the 40 years of his political career, half of them spent at the state level, and the other half at the centre, and all of them marked by turbulent political changes, Mr. Rao's political ideals and party loyalties remained stable.

Mr. Narasimha Rao, before he became Prime Minister, had held varied and important ministries at the Centre like External Affairs, Home, Defence, and Human Resources Development among others. In politics and in office for long, Mr. Rao had maintained a standard of personal integrity that none can dispute, and none can say that he had played any but an honourable part in any matter of state. Gossip had "never fastened an ugly label" on him. Mr. Narasimha Rao, had all along in his political career, maintained a low profile. Some attribute his political endurance

to this. It is, however, his basic strengths of character, intelligence and learning that have helped him to come through.

Mr. Rao moved to the Central arena in 1975 when he was appointed as one of the general secretaries of the All India Congress Committee. The first major test encountered by Mr. Rao at the Centre was when the national Emergency was imposed. During this phase, it was being proclaimed that "Indira was India" and the reins of government had effectively passed into the hands of Sanjay Gandhi, Mrs. Gandhi's younger son. Mr. Narasimha Rao was one of those who silently opposed the tendencies but preferred to stay with the party. When Mrs. Gandhi was thrown out of power and the Janata Party Government was formed at the Centre, Mr. Narasimha Rao did not leave the Congress party when several people left the Congress. During the Janata rule, while he was in opposition, Mr. Rao used to take an active part in the debates on foreign policy in the Lok Sabha. He was made the External Affairs Minister when Mrs. Gandhi returned to power in 1980. He remained the Foreign Minister for four years from January 1980

to July 1984 and took part in several important international conferences as the spokesman of India. India's ability to materially influence the major strategic issues of the time was limited. Mr. Narasimha Rao, in all international forums, projected India's commitment for detente, disarmament and peace. In that context, consistent efforts were made to strengthen the non-aligned movement. Mr. Rao played a significant role at the NAM summit held at New Delhi in 1983 as India's Foreign Minister. India took an active part in support of national liberation movements, extending sustained moral and fraternal support to the P.L.O. , the A.N.C. and the S.W.A.P.O. To strengthen the non-aligned countries a major step was taken to campaign for the democratisation of the international economic and information orders.

When Mr. Rajiv Gandhi came back to power after the December 1984 elections, Mr. Narasimha Rao was made the Minister for Human Resources Development along with the Defence Portfolio, which was taken over by Mr. Gandhi in March 1986. As the international situation began undergoing major changes, with the initiation of

"perestroika" and glasnost by Mr. Mikhail Gorbachov, Mr. Gandhi moved Mr. Narasimha Rao back to the External Affairs Ministry in July 1988. India was preoccupied with developments in South Asia at this time. The ethnic conflict in Sri Lanka, between the indigenous Tamils and the Buddhist majority had escalated to such an extent to involve India. Despite the signing of the Indo-Sri Lanka accord in 1987, the extremist group L.T.T.E. , spearheading the struggle for a separate Tamil land, led by Mr. Prabhakaran continued the insurgency operations, and backed out of the accord. Efforts to bring the rival parties to the negotiating table did not succeed. By the time Mr. Rao took charge as the External Affairs Minister, the Indo-Sri Lankan accord had virtually come unstuck . The Congress Party lost the elections of 1989 and was, thus, thrown out of power.

The Congress party came to power after the general elections in 1991 which saw the tragic assassination of its leader, Mr. Rajiv Gandhi. The mantle of the leadership of the Congress Party fell on Mr. Narasimha Rao even though he had not contested the

elections. Mr. Narasimha Rao was catapulted into the Prime Minister's office by sheer accident of fate of two types. First, it was the tragic assassination of the then Congress president and probably the last scion of long ruling Nehru - Gandhi dynasty on 21 May, 1991. Hence, there was a sudden void in the leadership as the Banyan tree- like growth of the Nehru-Gandhi dynasty never allowed any alternate leadership to emerge. Secondly, Mr. Narasimha Rao was the choice of the Congress Working Committee, as he was the least controversial amongst many aspirants, many of whom were comparatively young and ambitious, like Mr. Sharad Pawar, to jump into the Prime Minister's Chair. In contrast to this, Mr. Narasimha Rao was an old man at the age of 70 who was not given a ticket to contest the general elections as he had decided to retire from active politics . The majority of the newly elected Congress members of Parliament backed his choice as government leader in view of his record as a mature, sober, if low key, politician.

It was not only time and chance that brought Mr. Narasimha Rao to the top political position. It was



also the trust he had earned of a large majority of people and even of the political class. Mr. Rao was not a political manipulator, nor a great administrator by any standards. But he had something more than all this that was needed for success in politics. As observed by the former Prime Minister of the United Kingdom Mr. James Callaghan, "Democratic politics is more than manipulation , and leadership more than efficient management of affairs. In a civilised society, both rest on ethics and on consent."<sup>1</sup> This is also what politics seemed to mean to Mr. Rao and this is what he seemed to be trying to practice as Prime Minister.

Mr. Narasimha Rao is a highly literate person who can hold his own in any debate on crucial issues. He has an excellent grasp of foreign affairs and a keen understanding of world politics. His flare for languages had helped him acquire proficiency in French, Spanish, Italian and other foreign languages . He had a great respect for Pt. Nehru, having gone through his "Discovery of India" many times and still felt that

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1. Narendra Reddy, P.V. Narasimha Rao: Years of Power, New Delhi, 1993, p. 14.

there were parts which ought to be read again.<sup>1</sup>

International affairs was the forte of Prime Minister Rao. He was meticulous and his mind was clearly focussed while being briefed on foreign policy and security issues. His long experience and his knowledge of details required one to be thorough in research and fully updated on all relevant information on any matter on which he had to be briefed.<sup>2</sup> Mr. Narasimha Rao used to be patient and was willing to listen to dissenting opinion or critical evaluations of views or situations which he did not agree with entirely. He always encouraged his subordinate officials to be themselves, professionally and intellectually, with no need for obfuscation or deference to his views because he was the Prime Minister. On several issues such as opening up relations with Israel, the time frame for establishing relations with South Africa, and the signing of the agreement on the line of actual control with China, he

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1. Narendra Reddy, Op. cit, p. 233.
  2. J.N. Dixit, My South Block Years : Memoirs of a Foreign Secretary, New Delhi, 1996, p. 423.

allowed a full blown debate in which he himself participated before final decisions were arrived at.<sup>1</sup>

Unlike the kind of rashness that characterised Mr. Gandhi, it was the practice of Mr. Narasimha Rao to go meticulously into every aspect of an issue before a decision was taken. He preferred to take a strictly judicious view of issues on the basis of facts and in furtherance of national interests. At times, the general perception was that Mr. Rao was not decisive, that he procrastinated and dithered, and that he was disinclined to take definite decisions. It was felt that Mr. Rao should have been quicker in providing directives and making decisions. He could have been more prompt in directing the Ministry of External Affairs to open up lines of communication with the new Russian leadership in 1991, he exercised excessive caution before opening up relations with Israel, his hesitation in deploying adequate forces around Ayodhya to prevent the destruction of the Babri Mosque had some negative fallout which affected India's relations with the Islamic countries.<sup>2</sup> In defence of <sup>the</sup> Prime Minister it

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1. J.N. Dixit, op. cit., p. 423.

2. Ibid, p. 424.

has to be said that his approach towards decision making was that he believed that decisions on matters of foreign policy and national security should be taken on the basis of national consensus. He invariably consulted leaders of his own party and the opposition parties before he finalised a decision. He, also, believed that haste and speed were not a substitute for efficient and balanced policy decisions. He did not believe in rushing to express his views or in taking decisions just to prove the point that he can be quick in doing so. He followed the classic admonition given by that accomplished French Foreign Minister, and diplomat Mr. Tallyrand, that one should avoid excessive zeal and speed in the conduct of diplomacy.<sup>1</sup> When speed was needed he did act fast as in the case of economic liberalisation policies and programmes. Prime Minister Rao had no hesitation in admitting, "the bulk of government controls had hampered the economy's growth. The time had come for changes, especially in view of the changes taking place all over the world. If we ignored the changes, we will simply be isolated."<sup>2</sup> At

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1. J.N. Dixit, op.cit, pp. 423-424.

2. Ranbir Singh, Pamulaparti Venkata Narasimha Rao The Man, The Politician, (Some Problems and Issues), New Delhi, 1992, pp. 41-42.

times the inactivity on Mr. Narasimha Rao's part had confounded many but it generally used to be a shrewd and an astute conclusion. The much criticised ambiguity in his policies regarding nuclear non-proliferation was not due to indecisiveness, it was a measured, and calibrated approach by him.

Mr. Narasimha Rao became Prime Minister at a time when the old order <sup>had</sup> changed and no one knew what the new order would be, in its place. It is said that it took quite long for the Prime Minister to understand that in a fast changing world sticking with old ideas like limpets was suicidal to national interest.<sup>1</sup> This may have been due to his cautious, dithering and indecisive approach to the fast changing situation in world politics after the end of the cold war, and the disintegration of the erstwhile U.S.S.R. The specific case of India's policy of non-alignment is pointed out. It is said that non-alignment was a specific response to a specific situation when the world was divided into two ideological and military blocs led by the U.S. and

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1. Krishan D. Mathur and P.M. Kamath, Conduct of India's Foreign Policy, New Delhi, 1996, p.175.

Soviet Union, at that time it was courageous and pragmatic for India to say that there could be a third approach to world politics, but what was the relevance of non-alignment when alignment was not sought at all.<sup>1</sup> The question asked : Was non-alignment relevant in the post - Cold War period? Not in the political sense as every nation has become independent in pursuance of its national interests. . . The military blocs do not exist, except NATO. Hence nations are not called upon to decide their policies from bloc perspective. . . India was independent to decide its own foreign policy but. Prime Minister Rao argued that the urge of a non-aligned country would continue to be to maintain its independence, to take decision according to its lights, not taggig itself in advance to others.<sup>2</sup>

That there were some other flaws in the conduct of India's foreign policy was clear from the fact of Mr. Narasimha Rao's bungling over the reaction to Communist putsch to remove Mr. Gorbachov on 8 August, 1991, when he stated that the coup was a clear warning to all those - in this case Gorbachov- who pushed too

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1. Krishan D. Mathur and R.M. Kamath, Conduct of India's Foreign Policy, New Delhi, 1996, p. 175. 176.
  2. Ibid, p. 176.

hard for a change .<sup>1</sup> This cast India's democratic Prime Minister on the side of forces of status quo led by conservative communists. Such bungling in the conduct of foreign policy, and national security policy making affected India's relations with Russia in the initial years of President Yeltsin's tenure after the Communist coup was quelled.

Even in the case of Kashmir, there was no coordination in the policy statements. The statements of Mr. Rajaesh Pilot, the Minister of State for Internal Security, were contradicted or negated by his senior Mr. S.B. Chavan, the Home Minister, The Prime Minister announced in December 1993 that he was taking over the Kashmir affairs under his own charge and subsequently it was announced that Mr. Bhuvanesh Chaturvedi would be Minister in charge of Kashmir affairs.<sup>2</sup> However, this neither helped to find a solution to the crisis nor did it improve the policy making process. In fact, after the Charar-e-Sharief incident, Mr. Rajesh Pilot, the Minister of State for Internal Security, publicly threatened Pakistan that

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1. Krishan D. Mathur and P.M. Kamathi, op. cit., p. 176.

2. Ibid, p. 174.

dire consequences could follow like a war if it does not desist from interfering in India's internal affairs, when he was neither in charge of Kashmir affairs nor was he in the Defence or External Affairs Ministries.<sup>1</sup> The Prime Minister had to contradict Mr. Pilot's statement in the Parliament stating that India had no plans to go in for a war with Pakistan.<sup>2</sup>

Similarly, there were differences between the Minister of External Affairs and Defence over Indian troops participating in the U.N. operations in Somalia.<sup>3</sup> The Defence Ministry was in favour of such a participation as part of power projection within its strategic frontiers while the Ministry of External Affairs was against it in the light of IPKF experience.

These damaging contradictions might be explained on the ground that the Minister for External Affairs, during the crucial period, Mr. Dinesh Singh had been in effect, a Minister without Portfolio since the beginning, because of his long illness, even though he

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1. Krishan D. Mathur and P.M. Kamath, op. cit., p.174.
  2. Ibid, p. 174.
  3. Ibid, p. 174.



was given that title only in February 1995 when Mr. Pranab Mukherjee was appointed the Minister for External Affairs. The public expression of differences, however, affected the credibility of Prime Minister Rao's foreign policy.

Another important aspect of the Rao Government was that it did not get involved in international crises to play an international role. There were many avenues for India to play such a role; the post cold war developments in the U.N., the Post Gulf War Iraqi situation, or the Somalian crisis. The Indian Prime Minister was too much involved with domestic problems and crisis, and turning a minority government into a majority government. Mr. Narasimha Rao, also, lacked the charisma of either Pt. Nehru or Mrs. Indira Gandhi, therefore, he did not enjoy the same reputation or status as both of them did in world politics.

At the ministerial level, Mr. Madhav Singh Solanki was in charge of the Ministry of External Affairs till March 1992. The Prime Minister himself took over the charge of the Ministry of External Affairs from April 1992 to January 1993. Mr. Dinesh Singh was

inducted into the Cabinet as Minister of External Affairs in January 1993, and he continued till February, 1995, when he was replaced by Mr. Pranab Mukherjee. Mr. Eduardo Faleiro, Mr. R.L. Bhatia, and Mr. Salman Khursheed were the Ministers of State in the Ministry of External Affairs at various times in the Narasimha Rao Government.

Mr. Solanki, though his tenure was brief, was a person with a great sense of history, and a clear sense of national priorities. Although he was new to foreign affairs, his curiosity about fundamentals and his willingness to grasp the essentials of foreign policy resulted in his being able to guide the Ministry with precision and purposiveness.<sup>1</sup> His successor Mr. Dinesh Singh could not play an effective role because of his illness and often, the Prime Minister had to look after the Ministry, especially after April, 1993 when he got physically incapacitated. Mr. R.L. Bhatia was an expert on Central Asia, China, Russia and Eastern Europe. He had wide ranging contacts with political leaders of these countries which proved to be assets in

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1. J.N. Dixit, op. cit, p. 421.

restructuring India's relations with them in the changed international situation.<sup>1</sup> In taking decisions, Prime Minister Rao listened to all but had no hesitation in taking his own decisions.

At the institutional level, apart from the Parliamentary Consultative Committee on External Affairs with the Foreign Minister as ex-officio Chairman, a Standing committee of the Parliament on External Affairs was formed in 1992. It had representatives from both the Rajya Sabha and <sup>the Lok Sabha and</sup> from all political parties. This committee, as well as the Consultative Committee had approximately 50 members who interacted on a continuous basis with the Ministry of External Affairs and the Government of India on foreign policy matters. The Chairman of this Committee was to be a senior Parliamentarian from one of the opposition parties. This Committee was at liberty to meet whenever it wanted on the request of its members - at the discretion of the Chairman. The special feature of this Committee was that no minister from the Government was

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1. J.N. Dixit, op. cit, p. 422.

allowed to participate in its discussions. The Committee had the right to call in any senior civil servant from the Foreign Office to appear before it to give testimony and provide explanations on issues which its members chose to discuss. The Foreign Secretary of India had to be always present at the hearings of this Committee as the principal witness. The Committee had full discretion to discuss any subject or issue. Its suggestions and criticisms were to be reported to the Government of India by the Chairman and the Foreign Secretary. The Ministry of External Affairs had to report back on follow up action taken on the suggestions and recommendations of this Committee within time frames stipulated by the Chairman.

During the tenure of Narasimha Rao Government, since 1992 till 1995, the Parliamentary Consultative Committee, whose Chairman was the External Affairs Minister of the Cabinet rank, could not function effectively because there was really no Cabinet Minister for External Affairs in a position to devote focussed attention to the work of this Committee. After Mr. Madhav Singh Solanki's departure as Minister for

External Affairs in March, 1992, Prime Minister Narasimha Rao had little time to preside over the meetings of the Consultative Committee though he was in charge of the Ministry.<sup>1</sup> Mr. Dinesh Singh, who succeeded Mr. Solanki, could not chair the Committee's meetings in any meaningful way. There was no structured mechanism to monitor the extent to which the recommendations of the Consultative Committee were accepted or taken note of by the Ministry of External Affairs. The Ministry of External Affairs' and the minister's accountability to the Consultative Committee seemed to be proforma compared to the manner in which Prime Minister Nehru dealt with this Committee, or the seriousness which Sardar Swaran Singh, and Mr. Narasimha Rao attached to the proceedings of this Committee when they were Foreign Minister.<sup>2</sup>

In comparison, the newly formed Standing Committee seemed much more effective. Mr. Atal Behari Vajpayee, who was the Chairman of this Committee during the Narasimha Rao Government, ensured its efficacy by keeping the attention focussed on the predetermined

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1. J.N. Dixit, Across Borders : 50 Years of India's Foreign Policy, New Delhi, 1998, p.330.

2. Ibid, p. 330.

agenda and structuring meetings in a manner in which there was sufficient time for discussion as well as for questions and answers.<sup>1</sup> There were also certain members in both the Consultative and the Standing Committees who seldom went through the briefing papers or studied in detail the documents submitted to them by the Ministry of External Affairs in conformity with the terms of the predetermined agenda.

The Narasimha Rao Government, when it came to power in June 1991, did not activate the National Security Council, which was established by the Janata Dal Government in 1990. There was also inertia at the official level; the Chairman of the Joint Intelligence Committee was made ex-officio Secretary of the National Security Council, but the other intelligence agencies and concerned departments were never subject to institutional stipulations such as providing the requisite inputs and attending meetings, nor was the Secretary of the National Security Council obliged to provide daily or periodic briefing on strategic matters.<sup>2</sup> The National Security Council and

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1. J.N. Dixit, Across Borders : 50 Years of India's Foreign Policy, New Delhi, 1998, pp.330-331.
  2. J.N. Dixit, My South Block Years: Memoirs of a Foreign Secretary, New Delhi, 1996, p. 418.

its Advisory Committee continued to exist in a state of limbo which could not even be called suspended animation.

There was renewed interest in reviving the National Security Council after the destruction of the Babri Mosque in December 1992 and the Bombay bomb blasts in March, 1993. The Cabinet Secretary was instructed to prepare a "position paper" on how to reactivate the National Security Council, but the anxiety on the part of different heads of departments to preserve their jurisdiction over their respective turfs and an unwillingness to allow the creation of genuinely effective national security advisory posts, resulted in the deliberations begun by the then Cabinet Secretary becoming a purely cosmetic exercise.<sup>1</sup>

Towards the end of 1993, the Indian Prime Minister asked the Foreign Secretary to prepare a brief note on restructuring of the National Security Council, and examining the advisability of appointing a National Security Advisor.<sup>2</sup> He submitted a note to

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1. J.N. Dixit, My South Block Years : Memoirs of a Foreign Secretary, New Delhi, 1996, p. 419.

2. Ibid, p. 419.

him. In his view, the post of National Security Advisor should be created in the Prime Minister's Office, having a rank of a Principal Secretary to the Government, not being from amongst the serving officers of the government but could be either a retired civil or military officer or a politician genuinely knowledgeable about the national security affairs, being the choice of the Prime Minister alone. His appointment should be conterminus with the tenure of the Prime Minister who should have the discretion to change the incumbent of the post according to his needs; he should be the ex-officio Chairman of the National Advisory Committee consisting of the chiefs of the Indian intelligence organisations, the three service chiefs, the Foreign Secretary, the Home Secretary, the Defence Secretary, the Finance Secretary, the Secretary, Department of Atomic Energy and the Secretary, Department of Space, plus the Scientific Advisor to the Defence Ministry and he should be the senior most official figure advising the Prime Minister and the Union Government on all spheres of national security.<sup>1</sup>

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1. J.N. Dixit, My South Block Years : Memoirs of a Foreign Secretary, New Delhi, 1996, p. 419-420.



In 1993, since Mr Narasimha Rao, also held the <sup>he</sup> portfolio of Defence, /said while replying to demands of the Ministry in Lok Sabha that the idea of establishing the National Security Council would be reviewed.<sup>1</sup> In 1994 he stated : "I have got the matter examined and we have come to the conclusion that it should be set up."<sup>2</sup> In 1995, he again admitted the need for an overall "umbrella set up" but he did not implement it.<sup>3</sup>

The creation of a National Security Council would have coordinated all foreign and security policy matters and it would have ensured better coordination between the Ministries of Defence , External Affairs, Home, Finance and Commerce. But, the National Security Council was not set up by the Narasimha Rao Government.

Overall, it has to be said that Prime Minister Narasimha Rao tried to combine the idealism of Pt. Nehru, the architect of India's foreign policy, and the pragmatism and realism of Mrs. Indira Gandhi but he did not have the charismatic personality of the two, nor did he enjoy the reputation that the two did in

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1. Krishan D. Mathur and P.M. Kamath, 'Conduct of India's Foreign Policy, New Delhi, 1996, p.175.
  2. Ibid, p. 175.
  3. Ibid, p. 175.

world politics, and he also did not enjoy a smooth domestic environment to translate that combination into a virtual reality.

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# Chapter-VII

EPILOGUE

Mr. P.V. Narasimha Rao became the Prime Minister of India in June 1991 as a consensus candidate of the of leader/Congress Parliamentary Party, after the tragic assassination of Mr. Rajiv Gandhi in the general elections. After Pt. Jawaharlal Nehru, he was the first politician with a foreign policy background to become the head of the government. His political experience was integrated in that he was knowledgeable about both foreign policy and national security affairs because of the responsibilities which he had shouldered for nearly a decade before he reached the helm of affairs. Though there were uncertainties about the period for which he would be able to serve as Prime Minister, he was successful in completing his full tenure of five years from June 1991 to June 1996. This period marked a crucial phase in which the transformed undercurrents of international politics were getting crystallised and were making a telling impact on the global situation.

In 1991, with the end of the Cold War, and the disintegration of the Soviet Union, the world had become unipolar in military terms with the U.S. becoming the

the power centre, but in technological terms, and in terms of natural resources and demography, the world had become multipolar where new equilibria between the emerging power centres of Western Europe, the United States, Russia, Japan and China had not yet stabilised. Issues, which dominated international relations during the Cold War period, such as colonialism and imperialism, the ideological struggle between the communist and non-communist states, the economic issues affecting interaction between the industrially advanced countries, countries and the poorer developing/ had been replaced by concerns about human rights, disarmament and arms control, good governance, management of the global environment, and the structuring of a globalised economic order ruled by free market economy principles and globalisation. Internally, Prime Minister Mr. Narasimha Rao took up the reins of power when the Indian economy was passing through one of its worst crisis. Heavy commercial borrowing since the 1980s leading to tangible increase in debt service payments, steep rise in the import of oil, industrial raw materials and military hardware, with exports remaining stagnant, and the resultant decline in India's credit

worthiness- all these perpetrated an acute balance of payments crisis, Poor economic management, political instability and the Gulf War in 1991 further aggravated the situation. It was against this background that the Narasimha Rao Government charted its foreign policy course.

With the disintegration of the U.S.S.R., India lost a reliable supplier of defence parts and the loss of a major strategic factor in India's foreign policy. It also meant the loss of a very beneficial trade relationship as well as the Soviet diplomatic support at various multilateral fora. Prime Minister Mr. Narasimha Rao, therefore, consciously initiated the process by which India established new links with the emerging power centres in a changing world situation. The United States , West Europe, Japan, and ASEAN stood out as the new spheres of influence. India initiated a process of more intense and extended interaction with all of them.

One of the important beginnings made under this regime in the Indo-U.S. relations was the growing

cooperation between the two countries in the field of security. It saw the beginning of Indo-American joint naval exercises in the Indian Ocean - a proposition inconceivable under the previous regimes in New Delhi. The historic agreement signed during the U.S. Defence Secretary Mr. William Perry's visit to India in 1995 drew the U.S.A. and India towards a comprehensive security relationship. All this implied the growing realisation in Washington and New Delhi over the increasing convergence of the security concerns and interests of both the countries in the region. Another area of mutual interest to both the countries was the sphere of economic relations between the two countries. India needed U.S. capital, business and technology to make its economic reforms a success, whereas the U.S. was interested in the big Indian market which was identified by it as one of the top ten big emerging markets of the world. Prime Minister Mr. Narasimha Rao, during his visit to the U.S.A. in 1994 forcefully made the point that the reforms in India were irreversible. The U.S. was the single largest foreign investor in India. Yet, all was not well in this sphere. Actual inflow of U.S. investments into India lagged far behind

approval levels and the pace of implementation of projects belied expectations. The Americans, on the other hand, complained about 'inadequate liberalisation'. Above all, the intellectual property rights issue emerged as the most formidable irritant in bilateral economic ties. Other areas of mutual concern were human rights , U.S. policy towards Pakistan, nuclear non proliferation and missile technology. India came under extensive criticism from the U.S. based non-governmental human rights organisations and concerns were expressed from the State Department over the alleged abuse of human rights in Punjab and Kashmir. What was unacceptable to India was the one-sided criticism of the Government of India and its security forces. However, the Narasimha Government allowed, since 1994, various human rights groups to visit India which not only stemmed the barrage of American criticism but also contributed towards frustrating Pakistan's attempt to humiliate India at the Human Rights Conference in Geneva. As regards the U.S. policy towards Pakistan, a series of steps - e.g. support to the Simla Agreement, warning to Pakistan against aiding and abetting terrorism in Kashmir, imposition of



embargo on military aid to Islamabad under the Pressler Amendment - were appreciated by India. However, under the Clinton regime, the U.S. Under Secretary of State Ms. Robin Raphael's controversial statements on Kashmir made in 1993 and Washington's decision to sell \$ 368 mn worth of arms to Pakistan under the Brown amendment was not received well by the Indian Government. But, it can be said that the U.S.A. tried to straighten its tilt towards Pakistan, and maintain equidistance from both New Delhi and Islamabad after the end of the cold war which led to diminished strategic importance of Pakistan. The most contentious aspect of the Indo-U.S. relations was the difference between the two countries relating to Nuclear Non-Proliferation Treaty (NPT) and the Missile Technology Control Regime (MTCR). However, after the initial years of the Narasimha Rao Government, certain subtle shifts were located in the respective positions of both Washington and New Delhi on the issue of nuclear non-proliferation in the sub-continent. Washington instead of pressing New Delhi for signing the NPT, insisted on 'capping' the existing nuclear capabilities of India and Pakistan, the goal of rolling

back and eventually eliminating them was shelved - evidently to accomodate India's sensitivities - at least till the emergence of a more favourable political climate in the region . In deference to the U.S. wishes, the Narasimha Rao Government , too, somewhat reoriented its nuclear policy. In January, 1994 India proposed to Pakistan that the two countries extend their earlier agreement not to attack each other's nuclear facilities, and to cover population centres and economic targets as well. However, the trouble centred on Washington's decision to extend its 'cap, reduce, destroy' policy to India's missile development programme as well. Washington was actually afraid of the emergence of a commercial competitor in the lucrative missile technology and satellite communications market, as Indian technology was cheaper. To sum up, the Indo-U.S. relationship under the Narasimha Rao Government was a mixed bag of success and disapointments. But on the whole the Indo-U.S. relationship was informed by a sense of realism and maturity. New Delhi had realised that sustaining a stable working relationship with Washington - instead of adopting a holier-than-thou approach- was ultimately in its interest. Washington,

also, gave up its traditional myopia which harped on differences alone, and took care to ensure that disputes in one area do not spoil other aspects of the relationship.

Recognizing the priority that economic issues received over the security issues in international affairs after the end of the Cold War, it was the endeavour of the Narasimha Rao Government to improve relations with the West European countries, particularly in the wake of the economic reforms programme. India's approach towards Western Europe was influenced by three factors. First, that apart from England, France and Germany should also become the focus<sup>of</sup>/attention of India's European policies in terms of expansion of bilateral relations. Secondly, India should cultivate relations with Belgium, Holland, Portugal and Spain for establishing a substantive equation with the European Community. Thirdly, a careful assessment of India's relations with countries such as Switzerland, Austria and the Scandinavian nations should be made and to calibrate them to become responsive to India's economic and technological

requirements. Consequently, India followed a twin track policy : first, concentrating on the expansion of bilateral relations with larger and more important European countries, and second that of structuring greater economic coordination between the European Community and India. While the Narasimha Rao Government was conscious of the significance of establishing economic links with the European Community, it was equally aware of the policy orientations of the European countries on important issues such as non-proliferation, disarmament, transfer of dual use technology and human rights, however it made it clear to these countries that India would not compromise on these issues for the sake of furthering economic relations. Overall, India's relations with the European Community stayed on an even keel, however, political uncertainties in India, and the attitude in the country towards foreign economic investment reduced European interest in India.

For nearly four decades, South East Asia counted among the neglected areas of India's foreign policy. A strong economic underpinning predominated the

South-East Asian nations' foreign policy, while New Delhi as a rule accorded priority to politics over economics in its relations, and India's proximity to Moscow, also, somewhat adversely affected its acceptability to the ASEAN countries. Therefore, the Narasimha Rao government's 'look east strategy' - to become engaged with regional fora like the ASEAN, and the APEC and the Asian Regional Forum (ARF) - marked a sharp break from the tradition of Indian foreign policy. New Delhi's persistent efforts at building bridges with South-East Asia produced advances in its bilateral relations with Malaysia and Singapore, both in security and economic terms. Even those nations not traditionally close to India - like Thailand - also became more accommodative towards New Delhi. The promotion of economic diplomacy on Prime Minister Narasimha Rao's foreign policy agenda topped the list of factors that had effected this change. Economic dynamism of the South East Asian region and the alluring prospect of expansion of trade and investment led India to take interest in this area. The ASEAN nations, too, recognized the trading and commercial opportunities unfolded by India's liberalisation

programmes. India's relations with ASEAN as well as Japan remained focussed more on economic cooperation, as some of the countries had their own reservations about India's stand on sensitive political and security issues.

Despite, the attempts to cultivate extended interaction with the western countries, after the end of the cold war, by the Narasimha Rao Government, it did not ignore the importance and value of Russia in its foreign policy scheme. After, the initial hiccups, the visit of President Mr. Yeltsin to India in 1993 and the visit of Prime Minister Mr. Narasimha Rao to Russia in 1994 put the Indo-Russian relation back on track. During these visits, the vexed rupee- rouble issue was resolved along with the issue of the supply of defence spares and ammunitions. However, the Indo-Russian Treaty of Friendship and Cooperation of 1993 did not contain the vital security clause of the Indo-Soviet Treaty of 1971. It was also recognized by India that in view of serious economic difficulties faced by Russia it cannot be the source of aid in the sense the erstwhile U.S.S.R. was, Russia could at best provide

cooperation and partnership based on mutual interest. During the last years of the Narasimha Rao Government the political links between the two countries got further strengthened. Russia reiterated its support to India's position on Kashmir and for India's claim to be a permanent member of the U.N. Security Council. But, it has to be said that India did not enjoy the special position with Russia which it had enjoyed with the erstwhile U.S.S.R.

The Narasimha Rao Government continued further the process of normalisation of relations with China which had begun with the path breaking visit of the former Prime Minister Mr. Rajiv Gandhi to Beijing in December 1988. During the period 1991 to 1994, New Delhi and Beijing took positive steps to move forward towards the solution of the Sino-Indian boundary dispute. Both India and China undertook a detailed re-examination of their respective negotiating stances on the boundary issue in the late 1950s and early 1960s and realised that both sides had adopted rigid postures which resulted in the breakdown of negotiations, ultimately leading to an avoidable military conflict with tragic consequences for the Sino-Indian relations for nearly

three decades. India, therefore, suggested a step by step approach to resolve the boundary question. The first step was the stabilisation of the situation on the line of actual control and to delineate it more precisely in those sectors where differences of opinion existed between India and China. The second step was to come to a mutual agreement to maintain peace and tranquility on the line of actual control. The third step was to put in place expanding mutual confidence-building measures which would create an atmosphere of normalcy and peace on the line of actual control, after which both sides could proceed to address the substance of the Sino-Indian boundary question. This approach was mutually agreed upon and, after four rounds of negotiations between 1991 and 1993, a Sino-Indian Agreement on 'Maintenance of Peace and Tranquility' <sup>was signed</sup> along the line of actual control/during Prime Minister Narasimha Rao's visit to Beijing in September, 1993. The main impetus to the negotiations which led to this concrete result was provided by Chinese Premier Li Peng's discussions with Prime Minister Mr. Narasimha Rao in New Delhi in December, 1991. The gains from the 1993



Agreement were two fold : First, there was sizable reduction in troops level on the Sino-Indian frontier without making any further concession in territorial terms. As a result more reserves became available; they could be provided with more time and resources for training rather than be stretched out along the Himalayan wastes and the enormous expense on areas could be curtailed. maintaining units in far-flung / Secondly, a practical approach came to be adopted in defining the Line of Actual Control (LAC) itself. Reference to the border in high level speeches moved away from assertions of huge territorial claims in the eastern and western sectors, from reiteration of grand principles such as mutual concessions and geographical factors on the Indian side to the simple but appealing call for that which is 'fair, reasonable and mutually acceptable.' However, not much progress was made after 1993. The lack of progress could be attributed to the fact that although the Chinese had no problem with the status quo continuing, on the other hand Indian public opinion was yet to be prepared to agree to a realistic solution. In the meantime, both sides agreed to expand

economic, scientific and technological cooperation, and have greater interaction in the cultural sphere as a confidence building measure.

The Narasimha Rao Government, also , adopted a more conciliatory approach towards its regional neighbours. The signing of the Mahakali Treaty with Nepal, the decision to remain distant from the Tamil problem in Sri Lanka, the Tin Bigha accord with Bangladesh and the decision to resume talks with Bangladesh on the sharing of Ganga waters, despite Bangladesh's attempt to internationalise the issue, were examples of the conciliatory approach of this government towards its neighbours. However, the emotional and psychological apprehensions of Bangladesh had prevented these two countries from responding meaningfully to the initiatives taken by the Indian Government. Relations with Pakistan continued to be adversarial with no let-up in Islamabad encouraging subversive activities in Jammu and Kashmir. Prime Minister Narasimha Rao and Nawaz Sharif tried to reduce tensions by meeting each other six times at the summit level between 1991 and 1993. However, things

could not make much headway. New Delhi submitted to Islamabad, in January 1994, six non-papers suggesting a new set of confidence building measures on Kashmir, Siachen, and the nuclear issue etc. However, Islamabad's abortive attempt at moving a resolution on Kashmir at the Human Rights Convention in Geneva in March 1994 put an end to the above move. New Delhi rejected any move of third party mediation to bring the two countries to resume direct talks which had broken down when Ms. Benazir Bhutto had come to power and ordered the discontinuation of Foreign Secretary level talks at the end of January 1994. In 1995, Pakistan appeared to have slightly modified its earlier rigid stance and made an offer for a comprehensive dialogue but India was not interestd. The impasse continued for the remainder of the tenure of the Narasimha Rao Government. The Rao Government, however, succeeded in preventing bilateral tensions from degenerating into a conflict situation.

Among new initiatives, with regard to the Middle East, taking note of the Palestine Liberation Organization (PLO) itself starting negotiations with

Israel and given the perceptions of India regarding transnational Islamic extremism, New Delhi established diplomatic relations with Tel Aviv. This marked another dramatic breakthrough in India's foreign relations. India decided to go in for normal political, economic, technological and some defence cooperation with Israel.

Prime Minister Mr. Narasimha Rao took special note of the emerging political realities in South Africa and took the decision to recognize and also to establish full fledged bilateral relations with it, along with the necessary institutional back-up. India initially opened a cultural centre and a visa office. India correctly anticipated the emergence of a democratic political polity in South Africa and prepared the ground for a meaningful relationship with that country which led to the opening up of the Indian embassy in South Africa in May 1994 after Mr. Nelson Mandela came to power.

Keeping in view the strategic importance of the Central Asian Republics for India's security in the entire area stretching from Iran to the Eastern borders of Kazakhstan, the large market in Central Asia, the region's requirements of investment and new

technologies and India's new interest in Central Asia's energy and mineral resources, and to counter the possibilities of these countries becoming theocratic and to reduce the influence of Pakistan, Prime Minister Mr. Narasimha Rao promptly decided to give recognition to all the emergent Central Asian Republics. A survey was conducted to identify specific areas of economic, technological and economic cooperation. Top priority was accorded to establishing high level contacts with the Central Asian Republics. However, from 1993 onwards, there was an inexplicable downward curve in India's attention to the Central Asian Republics. Domestic concerns, incidents like the Babri Mosque destruction and the communal riots following it were only a partial cause of this neglect. India, somehow, seemed to have lost its economic and strategic focus on this vital region. The result was that relations between India and the Central Asian Republics went adrift since the end of 1993.

The Narasimha Rao Government called for the restructuring of the U.N. Security Council, so as to make it more representative, and for reforms in the decision making process in order to make its

functioning more democratic and transparent. The Indian Government staked its place for the permanent membership of the Security Council on the grounds of size, population, economic, & regional consideration, and a proven track record of commitment to the United Nations Charter and participation in the U.N. peace keeping, and social and developmental activities, and the fulfillment of the financial obligations to the U.N. every year. India, also, called for more powers to the U.N. General Assembly. However, factors such as India's refusal to sign the NPT, its basic differences on a number of global issues with the five permanent members of the U.N. Security Council and its marginal inputs in financing the U.N. rendered its chances slim. As always, India continued to support and participate in U.N. peacekeeping activities in Cambodia, Somalia, Angola and Yugoslavia.

The Narasimha Rao Government set at rest any doubts regarding the relevance of non-alignment as a foreign policy tool after the end of the Cold War, when Prime Minister Mr. Narasimha Rao clearly asserted the relevance of non alignment as independence in foreign

policy decision making. India felt that non-alignment was even more relevant, after the disintegration of the U.S.S.R., for the developing countries because with the loss of the U.S.S.R. they had lost the bargaining power to counter the hegemony of the advanced Western countries. However, Prime Minister Mr. Narasimha Rao was not able to play the same leading role in the Non-Aligned Movement (NAM) which his predecessors Pt. Jawaharlal Nehru, Mrs. Indira Gandhi and Mr. Rajiv Gandhi had played. India failed to activate the non-aligned movement on any significant international issue.

The Narasimha Rao Government tried to adopt a calibrated non-confrontationist policy in dealing with important issues such as nuclear non-proliferation, arms control and disarmament during interactions with the U.S. and other nuclear weapon powers. Official and technical level bilateral discussions held by the Government of India with the governments of nuclear weapons countries ensured that India would retain its freedom of options on these issues while, at the same

time, it would define limited areas of agreement on the basis of which durable arrangements for genuine, non-discriminatory disarmament could be evolved. This effort, however, proved to be abortive because the U.S. backed out of a series of assurances and commitments to which it had given/India about the indefinite extension of nuclear Non-Proliferation Treaty (NPT), about the Comprehensive Test Ban Treaty (CTBT) being non discriminatory and about other regimes and agreements on these issues being fashioned in a manner which would be non-discriminatory and responsive to the security interests of India. The indefinite extension of NPT by the Western powers created a setback but India did not succumb to the pressure generated by it. The interim tactical measures taken during 1991-95 to safeguard India's nuclear and space technology development options ensured the necessary flexibility to fashion firm stances against superpower hegemony. India reverted to some of its negative stances, in 1995, on issues such as the comprehensive test ban treaty, fissile material cut off, and the missile technology control regime (MTCR) with adroitness though such a



move increased its isolation.

Prime Minister Mr. Narasimha Rao gave utmost, as well as primary, importance to economic diplomacy in the conduct of India's foreign policy during his tenure. This was the directive conveyed to the Ministry of External Affairs and its missions abroad. Prime Minister Mr. Rao, himself visited all the major business centres and nations of the world to attract foreign investment and technology to India. The Indian Government had set before itself two primary tasks: conducting bilateral and multilateral trade negotiations and mobilising foreign capital resources. But the India government had to encounter certain problems in achieving its task. In seeking financial assistance from the West, India had to face stiff competition from the African and Latin American countries on the one hand, and the 'new' states of Eastern Europe and the erstwhile U.S.S.R. on the other. Similarly, the weak growth experienced by the advanced Western economies and the resultant demands for protection voiced in those markets warranted that even if India could get access to advanced technology to upgrade its industrial

and manufacturing base, there was no guarantee that it would have access to foreign markets in which it could sell back non-primary goods. Above all, the trend towards formation of regional trading blocks generated the fear of India- along with a host of other developing countries - becoming marginalised to the world economy in general and to the economic interests of industrialised West in particular. The momentum of the economic aspects of India's foreign policy slowed down, also, due to electoral politics and the populist tactics of political parties which, in turn, adversely affected the credibility of India's economic reforms.

Prime Minister Mr. Narasimha Rao adopted a consensual approach in the evolution of India's foreign policy. He was patient and willing to listen to the opinion of all concerned. At times, he used to take time to take a decision, unless and until he was fully convinced. This led to the impression that he was not decisive, that he procrastinated and dithered, and that he was disinclined to take definite decisions . The quiet diplomatic style was another feature of Mr. Narasimha Rao's foreign policy. The diplomatic ventures

of Mr. Narasimha Rao - who lacked the flair of his predecessors, Pt. Nehru, Mrs. Gandhi and Mr. Rajiv Gandhi - were somewhat low key affairs. The usual media hypes were absent, a premium was put on quiet backroom discussions - and yet they often produced spectacular results. Where India's national interest was involved, he eschewed lofty idealism and, instead, adopted a hard core pragmatic approach . Prime Minister Mr. Narasimha Rao's innovations in India's foreign policy was, to a large extent necessitated by the exigencies of the post cold war period, but he was astute enough to grasp the demands of the changing times and chart a new course in the country's external relations accordingly. However, it is said that New Delhi lost its international voice, which it had enjoyed previously under Pt. Nehru, Mrs. Gandhi or even Mr. Rajiv Gandhi but this was largely a function of a confluence of historical circumstances, when the cold war was raging in full cry. In the post cold war era, however, the global status of a power is determined by its economic achievements.

Looking back on what India might or might not have achieved under the Narasimha Rao Government, one can draw two conclusions: first, that India's overall

foreign policy was stuck in the doldrums of international uncertainties and secondly, that while India may not have notched up any significant or spectacular policy successes, Prime Minister Mr. Narasimha Rao managed to cope with a world in continuing ferment.

In overall terms, Prime Minister Mr. Narasimha Rao's stewardship of India's foreign policy in a period of volatile transitions in international affairs and difficult internal circumstances can be judged as adroit and successful.

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# Appendix

APPENDIX - I

Text of Joint Statement :

The following is the text of joint statement issued on May 19, 1994, after the Rao-Clinton summit.

1. U.S. President Mr. Bill Clinton and Prime Minister Mr. P.V. Narasimha Rao today called for a new partnership between India and the United States.
2. The two leaders agreed that democracy, respect for human rights and economic liberalization provide the best foundation for global stability and prosperity in the post-Cold War era. They promised to cooperate in the search for solutions to global challenges posed by weapons of mass destruction, AIDS, environmental degradation, population growth, poverty, international terrorism and narcotics trafficking.
3. The President and the Prime Minister agreed to expand the pace and scope of high level exchanges on the full range of political, economic, commercial, scientific, technological and social issues.

4. Both leaders noted with satisfaction their cooperation in support of U.N. peacekeeping operations in particular in countries where forces of both countries have served. The leaders agreed to seek ways to expand their cooperation at the U.N. They welcomed the progress in the Middle East peace process and hailed the recent elections in South Africa.
5. The two leaders agreed on the need for bilateral negotiations between India and Pakistan to resolve outstanding issues including Jammu and Kashmir, as envisaged in the Simla agreement.
6. Mr. Clinton and Mr. Rao offered their strong support for efforts towards the non-proliferation of weapons of mass destruction and their means of delivery and towards their progressive reduction, with the goal of elimination of such weapons, which are among the most pressing challenges to the security of states in the post-Cold War era. They discussed these challenges in both the global and regional context.

7. They pledged that their two Governments would intensify their cooperative efforts to achieve a comprehensive test ban treaty and a verifiable ban on the production of fissile materials for nuclear weapons.
8. The two leaders welcomed the successful conclusion of the Uruguay round and pledged their Governments would work to help the new World Trade Organisation (WTO) continue the process of expanding trade. Mr. Clinton praised Mr. Rao's courageous economic reforms and noted that the enthusiastic response of the business communities in both countries has produced record levels of bilateral trade and investment. Mr. Rao welcomed the investor response to India's new policies. Recognising the potential to build a strong and positive economic relationship, both leaders agreed to work to remove impediments that exist to bilateral commerce. U.S. Commerce Secretary, Mr. Brown, will lead a Presidential trade and investment mission to India in November 1994 and Energy Secretary, Ms. O'Leary, is to visit India in July 1994.



9. Mr. Clinton and Mr. Rao expressed satisfaction with the accomplishments of thirty five years of exchanges between scientists and researchers in the United States and India. They noted the discussions that have taken place with respect to a new framework science and technology agreement that will carry the world's most extensive bilateral science and technology collaborative programme into the 21st century. They welcomed the signing of two other agreements on cooperation in the areas of narcotics awareness and preservation of cultural heritage sites. They further noted that the United States and India have begun negotiations on a new extradition treaty and on an agreement on renewable energy resources, which they hope to complete in the near future.

**US Defence Secretary's Visit :**

Prime Minister P.V. Narasimha Rao is confident that the U.S. Defence Secretary William J. Perry's visit and the growing Indo-US contacts in various spheres would strengthen the all-round cooperation between the two large democracies.

Dr. Perry. The P.M. agreed that the UN peacekeeping was an area in which the two countries could cooperate.

To ensure the success of such operations, however, he emphasised that ground rules for the same be clearly defined.

It may be mentioned that there were differences between New Delhi and Washington on certain aspects of the peace-keeping operations like the command and control of forces, financing and duration of such operations. India favoured a "sunset clause" for bringing to a close operations that have outlived their utility.

The difference of perception between the two sides also related to conflicts, resolutions and mandate. At the same time, there was convergence of views on the utility of peace-keeping operations and the necessity of a standby force for such tasks.

In the course of the exchange with Dr. Perry, satisfaction was expressed by Mr. Rao at the signing of the "Agreed Minute" of Indo-US Defence Cooperation. It was a "blueprint" of the suggestions the Indian PM had made during his visit to the US in May last year.

At a meeting lasting nearly an hour, including a brief one-to-one chat, Mr. Rao and Dr. Perry favoured "close consultations" between New Delhi and Washington on regional issues and those concerning global peace and security. They referred to joint exercises and seminars for greater "transparency" in Defence matters.

Asked whether the Kashmir question and the American concerns over India's missile programme figured in the discussions, Dr. Perry avoided comment. At his meeting on Thursday with the Minister of State for External Affairs, R.L. Bhatia, the US Official had told newsmen that he would be answering all their questions at a press conference he is scheduled to address.

After his discussions with the Indian Premier, Dr. Perry informed that the US has expressed to new Delhi its desire for early return to democracy in Kashmir and efforts towards normalisation of strained Indo-Pak relations.

The entire range of issues of interest to the two sides were touched upon during Mr. Rao's talks.

APPENDIX - II

AGREEMENT ON COOPERATION BETWEEN INDIA RUSSIA ON  
COMBATING ILLICIT TRAFFIC IN NARCOTIC DRUGS AND  
PSYCHOTROPIC SUBSTANCE, 1993

The Government of the Republic of India and the Government of the Russian Federation (hereinafter referred to as the parties).

BEING AWARE that illicit traffic and abuse of narcotic drugs and psychotropic substances pose a grave threat to the health and well-being of their peoples and present a problem concernig political, economic, social and cultural structures of the society;

EXPRESSING mutual interest in developing bilateral cooperation in the sphere of preventing illicit traffic of narcotic drugs and psychotropic substances;

IN ACCORDANCE WITH the objectives of the Single convention on Narcotic Drugs, 1961, the Convention on Psychotropic Substances, 1971 and the U.N. Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988;

RESPECTING the principles of sovereignty, equality and non-interference into each other's

internal affairs;

HAVE AGREED upon the following :

ARTICLE - 1

The parties agree that in order to ensure the implementation of the present agreement the Ministry of Finance (Narcotics Control Bureau) of the Republic of India and the Ministry of Security (Anti-smuggling and Anti-corruption Directorate) of the Russian Federation (hereinafter referred to as the sides) will act as nodal agencies. Apart from this , by mutual agreement the Parties may employ other channels of communication.

ARTICLE - 2

Consistent with their national laws, the sides agree to assist each other in exchanging information and undertaking measures in order to identify, suppress and prevent the criminal activities of the International drug syndicates engaged in illicit traffic of narcotic drugs and psychotropic substances, and for these ends to take joint organised actions keeping in view the concern of both the States.

ARTICLE - 3

3.1 The sides acknowledge that any information to be exchanged between them is considered to be confidential

and may not be passed over to any third party without the consent of the side which has provided such information. The sides agree not to make public the extent and nature of their cooperation.

3.2 The sides agree to provide each other with the information on the identified persons irrespective of their nationality groups and organisations engaged in illegal manufacturing, storing shipment and marketing of narcotic drugs and psychotropic substances, on the methods, modes and means of criminal activities in case such information is relevant to the other side. The sides shall facilitate the regular exchange of expertise and results of scientific research.

#### ARTICLE - 4

In case of necessity the sides shall immediately conduct consultations on specific issues of combating illicit traffic of narcotic drugs and psychotropic substances.

#### ARTICLE - 5

In order to exchange expertise in preventing illicit traffic in narcotic drugs and psychotropic

substances the sides shall arrange meetings of the working groups as often as required. Financial and material expenses for these meetings shall be borne by the receivig side.

ARTICLE - 6

In order to improve their cooperation the sides within the framework of the national laws shall exchange texts of laws and other Acts, relating to the subject of the present Agreement.

ARTICLE - 7

By mutual consent changes may be incorporated in the present agreement, keeping in view the national laws of the parties.

ARTICLE - 8

The present agreement will come into effect on the date of its signing and will be valid until the expiry of six months since the date on which one of the Parties notify in writing the other Party about its intention to terminate the agreement.

Done in New Delhi on 28 January in the year 1993  
in two originals each in the Hindi, Russian and English

languages, all the texts being equally authentic.

In case of any differences in the interpretation of the text of the present agreement the English text shall prevail.

Sd/-  
On behalf of the  
Government of the Russian  
Federation

Sd/-  
On behalf of the  
Government of India

#### Agreement on Defence Cooperation

The Government of the Republic of India and the Government of the Russian Federation, hereinafter referred to as "parties" and singly as "Party".

Considering the existing friendly relations between their Governments, countries and peoples,

Recalling the Treaty of Friendship and Cooperation between the Republic of India and the Russian Federation,

Reiterating their support for the principle of not affecting adversely each other's security interests,

Desiring to promote defence cooperation for mutual benefit,

Recognising that this cooperation should be



carried out in an effective and purposeful manner on the basis of equality, reciprocity and mutual benefit.

Have agreed to conclude the present Agreement for bilateral defence cooperation.

ARTICLE - 1

Scope of Cooperation:

1.1 The Parties hereby agree with the framework of their laws to:

1.2 Promotion of bilateral defence relations and cooperation in specific areas to be agreed upon, including guaranteed supply of Defence equipment related items spare parts, product support and comprehensive services needed for maintenance , repair including overhaul, and modernisation.

1.3 Promotion of cooperation in defence science and technology , training , visits, exchange of personnel and joint research and development projects.

1.4 Promotion of cooperation through transfer of technology, assistance in setting up of projects, license production and third country exports.

1.5 Promotion of military to military cooperation through training, visits, exchange of information,

exchange of personnel and sharing of experience between the two Armed Forces.

1.6 Rendering of continued assistance in the exploitation and servicing of equipment and weapon systems.

1.7 Undertaking other activities or programmes to be mutually agreed upon.

#### ARTICLE - 2

##### Management of Cooperation :

2.1 Keeping in view the objectives of this agreement, the two parties will meet periodically to evolve concrete programmes for mutual benefit.

2.2 Programmes of cooperation may also be agreed upon by exchange of communications between the two parties or through diplomatic channels.

2.3 For the purpose of execution of the mutually agreed programmes of cooperation, the two Parties shall, whenever necessary, enter into specific contracts or agreements without prejudice to the commitments already existing for the maintenance and repair of military equipment earlier supplied.

2.4 Prior to the closure of a line of production of interest to the other Party, the Concerned Party shall proceed only after due consultation with the other.

#### ARTICLE - 3

##### Meetings :

3.1 The two parties shall meet alternately in India and Russia, whenever required.

3.2 The agenda and related organisational and administrative matters for the conduct of meetings shall be decided by mutual agreement.

3.3 The decisions taken in such meetings shall be recorded in the form of agreed minutes.

#### ARTICLE - 4

##### Security Arrangements :

4.1 Both parties shall take necessary measures to ensure secrecy of information, obtained in the course of implementation of this Agreement. This information shall not be used by either Party to the detriment of the national interests of the other party. The parties shall not divulge such information to any third party without the prior written consent of the other party.

ARTICLE - 5

Final Provisions :

5.1 This agreement comes into effect on the date of its signing.

5.2 Either Party may make a request at any time to vary, modify or otherwise amend this agreement. Such variation, modification or amendment shall come into effect upon the agreement of the other Party.

5.3 This agreement may be terminated at any time by mutual agreement by giving six months notice.

5.4 Any difference on the interpretation or application of this Agreement shall be amicably resolved through mutual consultations.

5.5 Done in New Delhi, on 28th January, 1993 in two originals each, in the Hindi, Russian and English languages, all the texts being equally authentic.

In witness hereof the undersigned being duly authorised by their respective Governments have signed the present agreement.

Sd/-

For and on behalf of the  
Government of The  
Republic of India

Sd/-

For and on behalf of the  
Government of  
The Russian Federation

AGREEMENT IN THE FIELD OF SCIENCE AND TECHNOLOGY

The Government of the Republic of India and the Government of the Russian Federation.,

DESIROUS of expanding and strengthening the cooperation between the two countries in the field of Science and Technology,

RECOGNISING the mutual benefit from the development of bilateral scientific and technological linkages,

CONSIDERING such cooperation as a means for promoting the further strengthening of the traditional friendship and mutually beneficial ties between the Republic of India and the Russian Federation ,

TAKING into consideration the importance and the volume of the Indo-Russian ties in the field of science and technology in the whole complex of relations which existed between the Republic of India and the Soviet Union.

Have agreed upon the following.:

To reorganise the Indo-Soviet Sub-commission on Science and Technology Cooperation, and the Indo-Soviet Joint Council on Coordination and Implementation of the Integrated Long Term Programme of Cooperation in

Science and Technology into Indo-Russian Subcommittee on Science and Technology Cooperation, and Indo-Russian Joint Council on Coordination and Implementation of the Integrated Long Term Programme of Cooperation in Science and Technology, respectively;

- To consider during 1993 the currently valid agreements, protocols, programmes of cooperation and projects in the field of science and technology, to bring them into accordance with the contemporary realities of the present time;
- To convene, not later than the autumn of 1993, the sessions of the newly formed Indo-Russian bodies responsible for coordination of the scientific and technological links between the Republic of India and the Russian Federation with the aim of considering and agreeing upon the future perspectives and forms of bilateral cooperation including modalities for its realisation;
- To hold consultations in February 1993 between the Department of Science and Technology of the Government of India and the Indian National

Science Academy from the Indian side, and the Ministry for Science, Higher Education and Technological Policy of the Russian Federation and the Russian Academy of Sciences from the Russian side, on the issues concerning the realisation of the present Memorandum and the scope of work for 1993.

Done in New Delhi on 28th January, 1993, in three originals, each in Hindi, Russian and English languages all the texts being equally authentic, but in case of duobt the English text shall prevail.

Sd/-

For the Government of  
the Republic of India.

Sd/-

For the Government of  
the Russian Federation

#### AGREEMENT ON CULTURAL AND SCIENTIFIC COOPERATION

The Government of the Republic of India and the Government of the Russian Federation (hereinafter referred to as the Contracting Parties),

GUIDED BY friendly relations and cooperation between the two countries,

RELYING on the positive experience of many decades of multifaceted cultural and scientific

cooperation which was further reinforced by THE AGREEMENT ON CULTURAL , SCIENTIFIC AND TECHNICAL COOPERATION BETWEEN THE REPUBLIC OF INDIA AND THE UNION OF SOVIET SOCIALIST REPUBLICS, concluded on February 12, 1960, in general, and by the Festival of India in the USSR and the Festival of the USSR in India in particular.

RECOGNISING the importance of deepening and strengthening the mutual appreciation of and familiarisation with the cultural heritage of India and Russia, and

CONSIDERING further to develop their cultural relations and to promote cooperation in the scientific field.

HAVE AGREED as follows:

ARTICLE - 1

The Contracting parties will promote and encourage the development of cultural cooperation, on the basis of reciprocity and mutual benefit, and in accordance with the laws and regulations in force in their respective countries. Cultural cooperation and relations between the two countries, including



different regions and institutions in both the countries will be encouraged through:

- a) Exchange of visits for cultural performance and lecture demonstrations by artists, musicians, writers and other cultural personalities, to promote the mutual understanding and appreciation of and familiarisation with the cultural heritage of both the peoples.
- b) Exchange of studies and research fellows in various aspects of culture of both countries and in culture related fields of mutual interest.
- c) Co-sponsoring of joint efforts to preserve, encourage and propagate, aspects of cultural heritage and cultural values, as mutually agreed upon.

#### ARTICLE - II

Each of the Contracting Parties will facilities and encourage the familiarisation of its people with the art, literature, theatre, music, painting, handicrafts and other forms of culture of the other party, especially through :

- a) Organisation of book fairs and exhibitions.
- b) Exchange of theatre groups and joint productions and theatrical performances.

c) Encouraging the translation and exchange of books and publications, as well as exchange and broadcasting of recorded music, films and other audio-visual material, of mutual interest.

d) Establishing links between creative unions, associations, organisations and institutions of artists and writers.

e) Encouraging wider distribution of books, periodicals and other publications of one country in the other.

f) Promoting cooperation in the field of book publishing in particular through joint production of books and exchange of specialists to that end.

g) Organising lectures, seminars, meetings and conferences.

#### ARTICLE - III'

The Contracting Parties, in conformity with international laws and their own national laws, will take necessary steps to prevent the illegal trafficking in cultural relics of both the countries; and will cooperate with the competent authorities of both the countries to exchange information about such cultural

relics and also take steps that will lead to the return of such cultural relics to their respective countries.

ARTICLE - IV

The Contracting parties will facilitate scientific research and mutual understanding cooperation between scholars of both the countries in the field of culture, humanitarian and social sciences, through :

a) Exchange of visits by scholars of either country to the mutually identified academic and research institutions in the other country.

b) Organising joint research on themes of mutual interest and joint publication of such research findings.

c) Enabling the citizens of each country to have access to the libraries, documentation centres, archives, museums, galleries and other cultural, scientific and educational establishments of the other for the purpose of this agreement.

d) Facilitating the participation by scholars from either country, in seminars, conferences and symposiums, held in the other on topics of mutual interest.

ARTICLE - V

The Contracting Parties will facilitate the learning and popularising of Russian and Indian languages in each other's countries.

ARTICLE - VI

Each of the Contracting Parties will facilitate the smooth functioning in its territory, of the Cultural Centres of the other. Encouragement will be provided for developing cooperation between the Cultural Centres and local organisations, including Friendship Societies for furthering the mutual understanding between the peoples of the two countries.

ARTICLE - VII

The Contracting parties will facilitate the further strengthening of cooperation in the field of education, through ;

a) Exchange of scholars, teachers and other representatives of the educational and academic institutions to pursue research and to participate in refresher courses and practical training as well as to deliver lectures.

- b) Exchange and translation of teaching materials and text books, periodic updates of bibliographies book reviews and abstracts of fresh publications.
- c) Joint efforts to produce teaching aids, text-books and other audio-visual teaching material.
- d) Exchange of experience in designing curriculum and syllabi for schools, colleges, institutes and universities.
- e) Exchange of visiting scholars, at various levels to undergo specialised courses at mutually identified academic institutions and universities.

#### ARTICLE - VIII

The Contracting Parties will encourage cooperation in the field of press and mass media, through;

- a) Exchange on the basis of mutually agreed terms of news and information.
- b) Exchange and translation of documentary films and news reels.
- c) Exchange of journalists from either country for familiarisation with the other.

ARTICLE - IX

The Contracting Parties will encourage cooperation in the field of radio and television in both the countries, through :

- a) Exchange, translation and broadcasting of radio and television programmes.
- b) Joint production of materials on themes of mutual interest, for radio and television.
- c) Facilitating the production, by either Party, of materials for radio and television, in the territory of the other.

ARTICLE - X

The Contracting Parties will facilitate the cooperation in the field of cinema; through:

- a) Exchange and translation of feature films with a view to deepen and strengthen mutual

understanding and appreciation.

- b) Joint production of documentaries, feature films and cartoon films.
- c) Participation by either Party in the international film festivals held in the territory of the other.
- d) Reciprocal arrangements for holding film festivals and film premises of either country in the other.
- e) Establishing contacts between cinematographers, directors and cinema personalities of both countries.
- f) Facilitating the work of either Party to make films in the territory of the other.

ARTICLE - XI

The Contracting Parties will facilitate

and encourage cooperation between the youth and youth organisations in both the countries.

ARTICLE - XII

The Contracting Parties will facilitate and encourage cooperation between the women's organisations in both the countries.

ARTICLE - XIII

The Contracting Parties will make efforts to strengthen the cooperation in the field of sports and physical culture through :

- a) Participation in competitions in each other's territories.
- b) Exchange of sportsmen and teams for different sporting events.



c) Exchange of trainers and by organising training camps.

d) Development of contacts between sports organisations and unions, federations of individual sports, sports societies and clubs.

#### ARTICLE - XIV

The Contracting Parties will encourage and assist the development of tourism between the two countries.

#### ARTICLE - XV

The Contracting Parties will, in accordance with the laws and regulations prevalent in their respective countries, recognise and uphold the Rights of Authors, particularly over books, audio and video recordings, films, painting and other cultural and scientific contributions of an original nature.

#### ARTICLE - XVI

Each of the Contracting Parties will make efforts to create favourable conditions that are conducive to the implementation of this agreement.

#### ARTICLE - XVII

The Contracting Parties will set up a Joint

Indo-Russian Commission on Cultural Relations for the implementation of this agreement. The Joint Commission shall :

- a) Consist of equal number of representatives of either of the Contracting Parties.
- b) Shall meet at least once in two or three years, alternately in the capital of either Party.
- c) Shall draw up detailed cultural exchange programmes, valid for two or three years, in each instance, and shall review the implementation of the previous cultural exchange programme and make appropriate recommendations.
- d) Shall draw up suitable administrative and financial mechanisms for the smooth implementation of this Agreement.

#### ARTICLE - XVIII

This agreement shall enter into force from the date of its signing by the Contracting parties and shall remain valid for a period of five years. It shall be automatically renewed for a subsequent period of five years, unless either of the Contracting Parties

gives to the other a written notice, six months in advance, of its intention to terminate prior to the date of expiry of the Agreement.

Notwithstanding the termination of this Agreement in accordance with above mentioned provision of this article, it will continue to be in force in relation to any programme or exchanges, agreements or projects which have already been taken in accordance with this agreement , but were not realised at the moment of its termination.

Signed at New Delhi on 28 January, 1993 in two originals, each in Hindi, Russian and English languages all the texts being equally authentic.

Sd/-

For the Government of  
the Republic of India

Sd/-

For the Government of  
the Russian Federation

#### **AGREEMENT IN THE FIELD OF INFORMATION**

The Government of the Republic of India and the Government of the Russian Federation (hereinafter referred to as the "parties").

Committed to promoting existing friendly relations and confidence between their peoples;

Mindful of the need to strengthen mutual understanding and to promote cooperation in the field of information;

Have agreed as follows:

ARTICLE - I

The parties shall, in accordance with their respective laws, uphold and promote all round cooperation in the areas of mutual interest in all fields of information and make efforts to further the growth of knowledge and understanding of the way of life in each others's country.

ARTICLE - II

The Parties shall encourage cooperation between the news agencies of their countries to facilitate a wider and easier flow of information . For the exchange of information material the news agencies of the parties shall enter into separate agreements on mutual basis.

ARTICLE - III

The parties shall encourage the exchange of

delegations of journalists to study fields of professional interest and exchange experiences under separate agreements to be entered into between the concerned organisations of their countries.

ARTICLE - IV

The Parties shall encourage exchange of experts in the field of information and information related technology including personnel engaged in dissemination of Government information.

ARTICLE - V

The Parties shall in accordance with their national legislations provide on mutual basis necessary facilities to accredited correspondents of the two countries.

ARTICLE - VI

Each Party shall allow dissemination of information bulletins and other publications in its territory by diplomatic, consular and other official missions of the other country, subject to local rules and regulations and the principles of reciprocity.

ARTICLE - VII

The Parties shall encourage exchange of

experiences in publication, distribution and marketing of Government sponsored books and periodicals. They shall also consider offers of exchange of visits, fellowships or scholarships for this purpose.

ARTICLE - VIII

The Parties shall promote cooperation between institutes for journalism and mass communication of the two countries.

ARTICLE - IX

The Parties shall explore the prospects of holding seminars, workshops or colloquiums on subjects of mutual interest' in the field of information.

ARTICLE - X

The parties shall encourage the continuation of cooperation between the State broadcasting and television organisations of the two countries.

ARTICLE - XI

The parties shall encourage exchange of personnel and material on campaign planning, printing, designing and mounting of exhibitions with special emphasis on Social themes.

ARTICLE - XII

The Parties shall within the framework of this agreement periodically review the results of its implementation.

ARTICLE - XIII

This agreement shall be valid for a period of five (5) years from the date of its entry into force and shall be automatically renewed for each subsequent period of five (5) years unless either Party gives a written notice to the other, six months in advance, of its intention to terminate the Agreement. The termination of this agreement shall not affect the programmes and projects already initiated. This Agreement may be amended or modified by mutual consent.

ARTICLE - XIV

This agreement shall enter into force on the date of its signing.

Signed at New Delhi on this 28th day of January in the year One Thousand Nine Hundred Ninety Three in two originals each in Hindi , Russian and English all the three texts being equally authentic, In case of differences, the English text shall prevail.

Sd/-

For the Government  
of India

Sd/-

For the Government of  
the Russian Federation

**INTER-GOVERNMENTAL PROTOCOL OF INDO-RUSSIAN  
CONSULTATIONS**

The Government of the Republic of India and the  
Government of the Russian Federation (hereinafter  
referred to as one sides):

In keeping with the Treaty of Friendship and  
Cooperation between the Republic of India and the  
Russian Federation,

Seeking to further strengthen and develop the  
relations of friendship and cooperation between the two  
sides,

Desirous of cooperating further to promote  
international peace and security, general and complete  
disarmament and peaceful settlement of disputes and  
promotion of human rights and fundamental freedoms in  
accordance with their national laws and international  
obligations,

Convinced that the strengthening of such  
relations and cooperation is not only to mutual



benefit but also in the interest of the international community,

Reaffirming their adherence to the purposes and principles of the UN Charter,

Have agreed as follows:

1. The Ministries of Foreign Affairs of both Governments shall establish a mechanism for regular consultations to review the implementation of agreements reached between them and for strengthening the process of wide ranging exchange of views on international and bilateral issues and interaction in the international arena.

2. The above consultations shall, in the context of ensuring peace and security in the world, cover all important issues, affecting the interests of both Sides such as -

- Issues under discussion at the United Nations and other international fora.

- The timely prevention and peaceful settlement of international disputes and all developments of common interest or mutual interest in the region to which both sides belong.

- Any other issue of mutual interest.

3. At the consultations, the two sides may also exchange views on other aspects of bilateral cooperation that may require consideration at the political level.

4. The Ministers of Foreign Affairs of the two sides shall meet, as a rule, at least once a year. Consultations between Foreign offices shall be held on an annual basis, alternately in New Delhi and Moscow, at the level of Deputy Minister-Secretary.

5. In the spirit of this agreement and in accordance with the principles and objectives of the Treaty of Friendship and Cooperation, the two sides shall also cooperate on matters of mutual interest at the level of diplomatic consular missions in third countries.

6. Both sides shall facilitate cooperation in research on foreign policy issues, exchange of archival documents and preparation of compendia of documents and materials pertaining to relations between the Government of India and the Russian Federation.

7. The provisions of this agreement shall be without prejudice to any other treaties or agreements

to which both sides are parties.

8. The present agreement shall enter into force on the date of its signing and shall remain in force for 5 years. It shall then be automatically renewed for subsequent five-years periods unless either side notifies the other side in writing at least six months before the expiration of the respective period of its intention to terminate the agreement.

Done in New Delhi on January 28, 1993 in two originals each in the Hindi, Russian and English languages, all three texts being equally authentic.

SD/-

For the Government of  
the Republic of India

SD/-

For the Government of  
the Russian Federation

APPENDIX - III

C H I N A

TEXT OF FOUR AGREEMENTS SIGNED BY INDIA AND CHINA IN  
BEIJING ON SEPTEMBER 7, 1993

The following four agreements were signed  
between India and China in Beijing on September, 7,  
1993.

AGREEMENT ON THE MAINTENANCE OF PEACE AND  
TRANQUILITY ALONG THE LINE OF ACTUAL CONTROL IN THE  
INDIA-CHINA BORDER AREAS SIGNED IN BEIJING ON SEPTEMBER  
7, 1993.

The Government of the Republic of India and the  
Government of the People's Republic of China  
(hereinafter referred to as the two sides), have  
entered into the present Agreement in accordance with  
the Five principles of mutual respect for sovereignty  
and territorial integrity, mutual non-aggression,  
non-interference in each other's internal affairs,  
equality and mutual benefit and peaceful coexistence  
and with a view to maintaining peace and tranquility  
in areas along the line of actual control in the  
India-China border areas.

ARTICLE - I

The two sides are of the view that the India-China boundary question shall be resolved through peaceful and friendly consultations. Neither side shall use or threaten to use force against the other by any means. Pending an ultimate solution to the boundary question between the two countries, the two sides shall strictly respect and observe the line of actual control between the two sides . No activities of either side shall overstep the line of actual control. In case personnel of one side cross the line of actual control, upon being cautioned by the other side, they shall immediately pull back to their own side of the line of actual control. When necessary, the two sides shall jointly check and determine the segments of the line of actual control where they have different views as to its alignment.

ARTICLE - II

Each side will keep its military forces in the areas along the line of actual control to a minimum level compatible with the friendly and good neighbourly relations between the two countries. The

two sides agree to reduce their military forces along the line of actual control in conformity with the requirements of the principle of mutual and equal security to ceilings to be mutually agreed. The extent, depth, timing and nature of reduction of military forces along the line of actual control shall be determined through mutual consultations between the two countries. The reduction of military forces shall be carried out by the stages in mutually agreed geographical locations sectorwise within the areas along the line of actual control.

ARTICLE - III

Both sides shall work but through consultations effective confidence building measures in the areas along the line of actual control. Neither side will undertake specified levels of military exercises in mutually identified zones. Each side shall give the other prior notification of military exercises of specified levels near the line of actual control permitted under this agreement.

ARTICLE - IV

In case of contingencies or other problems arising in the areas along the line of actual control, the two sides shall deal with them through meetings and friendly consultations between border personnel of the two countries. The form of such meetings and channels of communications between the border personnel shall be mutually agreed upon by the two sides.

ARTICLE - V

The two sides agree to take adequate measures to ensure that air intrusions across the line of actual control do not take place and shall undertake mutual consultations should intrusions occur. Both sides shall also consult on possible restrictions on air exercises in areas to be mutually agreed near the line of actual control.

ARTICLE - VI

The two sides are agreed that references to the line of actual control in this Agreement do not prejudice their respective positions on the boundary question.

ARTICLE - VII

The two sides shall agree through consultations

on the form, method, scale and content of effective verification measures and supervision required for the reduction of military forces and the maintenance of peace and tranquillity in the areas along the line of actual control under this agreement.

ARTICLE - VIII

Each side of the India-China Joint Working Group on the boundary question shall appoint diplomatic and military experts to formulate, through mutual consultations, implementation measures for the present agreement. The experts shall advise the Joint Working Group on the resolution of differences between the two sides on the alignment of the line of actual control and address issues relating to redeployment with a view to reduction of military forces in the areas along the line of actual control. The experts shall also assist the Joint Working Group in supervision of the implementation of the Agreement and settlement of differences that may arise in that process, based on the principle of good faith and mutual confidence.

ARTICLE - IX

The present agreement shall come into effect as



of the date of signature and is subject to amendment and addition by agreement of the two sides.

Signed in duplicate at Beijing on the 7th day of September, 1993 in the Hindi, Chinese and English languages, all three texts having equal validity.

For the Government of the  
Republic of India

For the Government of the  
People's Republic of China

**AGREEMENT ON ENVIRONMENTAL COOPERATION SIGNED IN  
BEIJING ON SEPTEMBER 7, 1993.**

The Government of the Republic of India and the Government of the People's Republic of China (hereinafter referred to as the Parties);

Recognising that the achievement of sustainable development and enhancement of the quality of the environment are issues that affect economic growth and the well being of the people;

Nothing that scientific and technological exchanges and cooperative activities are being conducted between India and China in global environment negotiations and in the field of mountain development;

Washing to increase this cooperation in sectors related to the environment for mutual benefits;

Have agreed as follows:

ARTICLE - I

The Ministry of the Environment and Forests of the Governmnet of the Republic of India and the National Environmental Protection Agency of the People's Republic of China shall be the nodal agencies for the implementation of this Agreement.

ARTICLE - II

The parties shall maintain and enhance bilateral cooperation in all fields of environmental activities on the basis of ~~equality~~ and mutual benefits.

ARTICLE - III

Cooperation under this Agreement shall be carried out inter alia, in the following high priority areas:

1. Global environmental issues, including protection of bio-diversity, global climate change and the protection of the ozone layer;
2. Waste management;

3. Environmental pollution control with emphasis on clean technology, water quality protection, air quality protection, packaging, recycling of solid wastes, hazardous wastes issues, and emergency response;
4. Environmental impact assessment procedures and experience;
5. Quality control and management of environmental protection products;
6. Public awareness and education on environmental issues;
7. Wildlife conservation with specific focus on the prevention of trade in endangered species of wild fauna and flora;
8. Environmental legislation and enforcement;
9. Any other areas that may be agreed between the Parties.

#### ARTICLE - IV

Cooperation under this Agreement shall be carried out inter alia through the following:

1. Exchange of scientists, scholars, specialists and environmental management personnel;

2. Exchange of the information in the areas listed in Article III;
3. Cooperative research on subjects of mutual interest, in which the Parties will exchange and provide each other with samples, reagents, materials, data, instruments and components for testing evaluation and other purposes in accordance with mutually agreed conditions;
4. Joint organisation of symposia, seminars, lectures and training courses;
5. Other means of cooperation as are mutually agreed upon, including entering into protocols for effecting and implementing concrete programmes of cooperation in areas identified.

ARTICLE - V

The Parties shall encourage and facilitate the development of contacts and cooperation between other levels of government or organisational entities, research institutions, private sector, academia, etc. and coordinate the implementation of these activities.

ARTICLE - VI

1. Each Part shall determine within its own country

the allocation of intellectual property rights arising from cooperative activities under this Agreement;

- . The Parties shall decide jointly on the allocation of intellectual rights in third countries unless otherwise provided under particular project arrangements.

#### ARTICLE - VII

1. Unless otherwise arranged between the parties, international travel expenses related to such exchanges and cooperative activities will be borne by the sending Party. In country expenses will be borne by the receiving party on a reciprocal basis;
2. In principle, the number of persons dispatched and the duration of stay (based on persons/months) will be on an equal and reciprocal basis. In a case where the principle of reciprocity is difficult to implement, the two parties will discuss the matter to find a satisfactory solution.

ARTICLE - VIII

The terms and conditions of such exchanges and cooperative activities provided for in this Agreement will be subject to the laws and regulations of the Parties and will be established in writing between appropriate officials of the Parties.

ARTICLE - IX

The parties shall make biennial reports to the respective heads of their organisations summarising progress on cooperative projects as presented in the work programme, and identifying possible opportunities for additional projects.

ARTICLE - X

This agreement shall enter into force upon signature. It will remain in effect for an initial period of five years. It may be terminated by either Party with six months written notice to the other. It may be renewed by mutual consent for an additional period of time agreed to by both the Parties. The termination of this Agreement shall not affect the validity or duration of specific activities or arrangements initiated under it, but not yet completed

at the time of termination.

ARTICLE - XI

This Agreement may be amended at any time by mutual agreement of the Parties in writing.

Done in duplicate at Beijing this 7th day of September 1993, in the Hindi, Chinese and English languages, each version being equally authentic. In case of divergence, the English text shall prevail.

For the Government of the  
Republic of India

For the Government of the  
People's Republic of China

PROTOCOL FOR EXTENSION OF BORDER TRADE ACROSS SHIPKILA  
PASS SIGNED IN BEIJING ON SEPTEMBER, 7, 1993

The Government of the Republic of India and the  
Government of the People's Republic of China;

With a view to promoting the development of  
friendly relations between the two countries and their  
people:

Pursuant to the Memorandum between the  
Government of the Republic of India and the Government

of the People's Republic of China on the Resumption of Border Trade signed at New Delhi on 13th December, 1991; and Protocol on Entry and Exit Procedures for Border Trade signed on 1st July ,1992.

Being desirous of extension of border trade to an additional point on India-China border.

Have agreed as follows:

ARTICLE - I

The Government of the Republic of India and the Government of the People's Republic of China shall establish border trade markets at the following locations:

- (i) Namgya in Kinnaur District of the State of Himachal Pradesh of the Republic of India.
- (ii) Jiuba in Zada County in Tibet Autonomous Region of the People's Republic of China.

ARTICLE - II

Shipkila shall be the pass for entry and exit of persons, commodities and means of transport engaged in border trade, exchange of commodities and means of transportation.



ARTICLE - III

All the provisions of the Memorandum on the resumption of border trade and the protocol on Entry and Exit Procedures signed under the Memorandum shall be applicable to the border trade across Shipkila pass also.

ARTICLE - IV

This protocol may be amended or supplemented by agreement in writing between the Government of the Republic of India and the Government of the People's Republic of China.

ARTICLE - V

This Protocol shall come into force as from the date of its signature and shall be valid during the validity of Memorandum on Resumption of Border Trade between the Governments of the two countries signed at New Delhi on 13th December, 1991.

Done at Beijing on September 7, 1993 in two originals each in Hindi, Chinese and English languages, the three texts being equally authentic.

For the Government of  
the Republic of India

For the Government of  
the People's Republic of China

AGREEMENT ON RADIO AND TELEVISION COOPERATION SIGNED  
IN BEIJING ON SEPTEMBER 7, 1993.

The Ministry of Information and Broadcasting of the Republic of India and the Ministry of Radio, Film and Television of the People's Republic of China (hereinafter referred to as the parties).

Desirous of strengthening further the friendly relations and cooperation, between the Republic of India and the People's Republic of China, the Ministry of Information and Broadcasting of the Republic of India and the Ministry of Radio, Film and Television of the People's Republic of China.

Have agreed as follows:

ARTICLE - I

The two parties will exchange at least once every six months tape recordings of songs, music or radio programmes as well some TV programmes.

ARTICLE - II

To celebrate the National Day (or Republic Day) of the two countries (China : October 1st; India; January 26th), the two parties will send relevant audio and video tape recordings of special programmes to each

other. The tape recording should reach the radio and TV stations of the other party two months before the national (or Republic) day.

ARTICLE - III

The exchange of programmes can be delivered through the Embassy of the other party. The exchange and use of the programmes will be free of charge. Explanatory notes or synopsis in English should be attached with the song, music, radio and TV programmes exchanged between the two parties.

ARTICLE - IV

The radio and TV programmes exchanged under the terms of this Agreement can be used in accordance with the need of the receiving party, keeping reciprocity as an important criterion.

ARTICLE - V

Both the parties may send radio and television delegations and radio and TV coverage teams to visit each other or take part in radio and TV festivals sponsored by the other party through mutual consultations.

ARTICLE - VI

On equal and reciprocal basis, the guest party shall be responsible for the international travel expenses and the host party shall pay the expenses of meals, accommodation and local transportation for the visiting delegation or team during their visit.

ARTICLE - VII

This agreement shall enter into force on the date of its signing and shall remain valid for a period of two yers and shall be renewed for subsequent period of 2 years unless either of the Contracting Parties give to the others a written notice three months in advance of its intention to terminate the Agreement before expiry.

Signed at Beijing on this the 7th September, 1993 in two originals each in Hindi, English and Chinese languages. All the texts being equally authentic, In case of doubts, the English text shall prevail.

For the Ministry of  
Information and Broadcasting  
of the Republic of India

For the Ministry of  
Radio, Film and  
Television of the  
People's Republic of China

APPENDIX - IV

TEXT OF MOSCOW DECLARATION ON THE PROTECTION OF  
INTERESTS OF PLURALISTIC STATES.

The following is the full text of the Moscow Declaration signed today by India and Russia on the protection of the interests of pluralistic states.

1. The eve of the twenty-first century is witness to far-reaching historic changes which are destined to transform the world for the present and future generations.
2. The end of the Cold War has opened prospects for attaining global security and stability and has offered both opportunities and challenges for fruitful cooperation among States.
3. Internationally accepted standards of democracy and the rule of law are perceived by an increasing number of States as basic components of their political systems and a reliable guarantee for the promotion and protection human rights.
4. Governments are becoming increasingly aware that economic reforms and integrating into the world economy, on the basis of equal rights and responsibilities, are prerequisites for

progress of all States.

5. However tension and violence still persist in the world. As ideological and other barriers to mutually beneficial cooperation are being overcome, new challenges to security and stability are emerging. In particular, there is a growing threat from the forces of aggressive nationalism, religious and political extremism, terrorism and separatism, which strike at the unity of pluralistic States.
6. Russia and India, being among the largest multiethnic, multilingual and multireligious States, recognise their responsibility for opposing the threats to democracy and peace together with other members of the world community. They believe that the experience accumulated by them in governing their societies on the basis of their commitment to unity in diversity can make a valuable contribution in this respect. They are convinced that the guiding principles of every democratic society, such as equality, rule of law,

observance of human rights, freedom of choice and tolerance should be equally applicable to international relations. These must be based on respect for sovereignty, equality and territorial integrity of States, non-interference in their internal affairs and peaceful coexistence.

7. Exercising their right to self-determination, the peoples of Russia and India have established by law sovereign and free States. Throughout the territories of their respective countries, the will of the people and the realisation of their historic destiny are expressed through participation in the process of representative democracy.
8. The different religions that coexist in Russia and India enrich the spiritual values of societies and of world civilisation. The right to profess, practice or promote any religion is guaranteed by the constitutions of the two countries and is characteristic of their everyday life. Claims to religious exclusivism

are a threat to the exercise of that right and lead to extremism and intolerance both within States and internationally.

9. Russia and India are determined to protect the cultural and religious diversity of their societies from these dangers. They firmly declare that it is inadmissible to arouse interethnic and inter-religious hatred or to promote aggressive nationalism and religious fanaticism.

10. Both countries are convinced that destabilization of relations between ethnic or religious groups, efforts to forcibly displace them, ethnic cleansing and promotion of internal and trans-border terrorism, motivated by vested interests, lead to annihilation of all the positive and constructive elements accumulated by mankind during the many thousands of years of its existence.

11. Russia and India are convinced that large multiethnic States bear a special responsibility for the destiny of hundreds of millions of people. They advocate unconditional



observance of the principles of respect for territorial integrity and unity of the State as a key factor of viability of multiethnic States. They reiterate their support for each other's territorial integrity as constituted by law and enshrined in their respective constitutions.

12. India welcomes the formation of the Commonwealth of Independent States, (CIS) the various agreements on cooperation signed within that framework, including the Declaration on Respect of Sovereignty, Territorial Integrity and Inviolability of Frontiers of the States of the CIS of April 15, 1994. It appreciates Russia's efforts towards promoting the spirit of good neighbourliness and cooperation among States of the former USSR.
13. India understands Russia's concerns that all people residing in the territories of the former Soviet Union should have equal protection before law and the safeguarding of their fundamental human rights as guaranteed in democratic societies.
14. Russia appreciates the efforts made by the Government and people of India to strengthen

social harmony, promote development of the country, and preserve the territorial integrity and sovereignty of the country. It supports India's actions to create an atmosphere of confidence in South Asia and promote good neighbourliness and cooperation between the States of the region.

15. Russia and India agree to exchange experiences in national building, including those which addressed the need for decentralization without impairing the integrity and unity of their States.
16. Russia and India believe that the successful development of multiethnic, multireligious States promotes international peace and stability. They, therefore, urge other members of the international community, and international and regional organisations to respect the integrity of these States.

President of the Russian Federation  
Moscow, 30th June, 1994.

Prime Minister of the  
Republic of India

DECLARATION ON THE FURTHER DEVELOPMENT AND  
INTENSIFICATION OF COOPERATION

The following is the declaration on the further development and intensification of cooperation between the Republic of India and the Russia federation:

The Russian Federation and the Republic of India, here in after referred to as the Sides,

Proceeding from the mutual desire of the peoples of the Russian Federation and the Republic of India to further strengthen their friendship and enhance their cooperation to mutual benefit,

Convinced that such cooperation corresponds to the fundamental long-term interests of both countries and strengthening global peace and security,

Determined to build on the positive legacy of bilateral relations between the two countries,

Emphasizing the fundamental and lasting importance of the Treaty of Friendship and Cooperation between the Russian Federation and the Republic of India,

Reaffirming their commitment to the aims and principles of the United Nations Charter, Declare as

follows:

1. The visit of the Prime Minister of India, Mr. P.V. Narasimha Rao, to the Russian Federation from June 29 to July 2, 1994, the Russian Indian talks, held in an atmosphere of traditional friendship and trust, and the agreements signed thereafter, gave a strong impetus and new momentum to the development of bilateral relations between the two sides and initiated a qualitatively new age of their constructive interaction on a broad range of bilateral, regional and international issues.
2. The sides note their broad identity of views on global and regional issues and reaffirmed their determination to continue their close cooperation in the international arena with a view to promoting the establishment of a just and equitable world order.
3. The Sides believed that international peace and security, adherence to democratic and secular values observance of human rights and economic growth with social justice are essential prerequisites for sustainable economic

development and enrichment of the intellectual, spiritual, cultural and social life of their peoples. They underlined their commitment to deepening bilateral cooperation as well as cooperation with other countries sharing the same ideals in the interest of furthering the positive achievements of recent years, and in a joint search for ways of resolving contemporary problems.

4. The two Sides have similar views regarding the important role of the United Nations Organisation in furthering the cause of world peace and security. They noted with satisfaction the growing authority of the United Nations Organisation and agreed to continue to promote strengthening, increasing the efficiency and further democratisation of this organisation. The United Nations system should reflect the changing realities of the contemporary world to the fullest extent.
5. The Sides reiterated their fundamental commitment to all measures aimed at the complete

and universal elimination of weapons of mass destruction. They agreed in particular to make every effort to facilitate the early conclusion of multilaterally negotiated comprehensive treaties on the universal ban on nuclear tests and cessation of the production of fissile materials for weapons purposes.

6. The Sides noted with concern that new problems and conflicts have emerged in the world whose settlement requires greater attention and efforts by the international community. Aggressive nationalism, religious and political extremism, terrorism, and separatism present a special threat to the territorial integrity and unity of sovereign States and international peace and stability. Mindful of this, the Sides adopted the Moscow Declaration on the Protection of the Interests of Pluralistic States.

7. The Sides reiterated their deep interest in promoting peace and stability in the area between the borders of the Republic of India and the Russian Federation . They expressed particular concern over the continuing

sanguinary conflict in Afghanistan and its negative impact on the adjacent States and called for a speedy political settlement.

8. The Sides expressed their serious concern at the continuing tension on the Tajik-Afghan border. They reiterated the need to resolve the situation by political means and support the continuation of the inter-Tajik dialogue.
9. The Sides expressed their satisfaction with the continuing improvement of their relations with the countries of the Asia-Pacific Region and the development of consolidative processes therein. They noted the affinity of their approaches to the problems of the Asia-Pacific Region and favour the intensification of constructive interaction in settling existing conflicts and disputes in this region through peaceful means.
10. The Sides expressed their readiness to cooperate bilaterally and with all other States in combating terrorism, including that supported from outside, subversive activities and international crime, which pose a serious threat to the territorial integrity and the

democratic and secular nature of their States and the human rights of their citizens.

11. Taking account of the present state and the prospects of their bilateral cooepration, and the process of implementation of the agreements reached during the visit of the President of the Russian Federation to India in January 1993, the ~~sides~~ agreed to concentrate their efforts in the following directions.
12. The Sides will utilise to the full extent the new opportunities which are emerging as a result of market-oriented changes and reforms in their economies in the direction of greater openness, competition and integration with the world economy.
13. The ~~Sides~~ will encourage cooperation between both public and private sector organizations in setting up, modernising and reconstructing investment projects, the establishment of joint ventures as well as mutually beneficial investments in their territories. In accordance with their national legislation and International commitments, they will facilitate



the creation of favourable organizational, fiscal and legal conditons for entrepreneurial and other forms of economic activity for each other's entities.

14. The Sides expressed their desire to further develop scientific and technological cooperation, especially in such high technology areas as utilization of nuclear energy for peaceful purposes, exploration and uses of outer space for peaceful purposes, joint research, development and designing of lasers and laser technologies, new generation passenger aircraft and information technology. They agreed that there was need for expediting the industrial and commercial application of bilateral cooperation in high technology areas.

15. The Sides reaffirmed the significance of the inter-governmental agreement on defence cooperation signed in New Delhi in January 1993, and agreed to continue their efforts to further develop their military-technical cooperation, including the establishment of joint production aimed, inter-alia, at export to third countries.

They reiterated that their military cooperation in human resource development and facilitating greater people-to-people contacts, particularly in the fields of culture, education, art, information, tourism and sports. They will undertake concrete measures in these areas under the cultural exchange programme signed in 1993 and other bilateral arrangements.

16. With the shared aim of providing for the dynamic and comprehensive development of their relations, the Sides signed Declarations on the Protection of the Interests of Pluralistic States and the Further Development and Intensification of Cooperation between India and the Russian Federation, Agreements on Cooperation in the Exploration and Use of Outer Space for Peaceful Purposes, Science and Technology, Information Technology, Tourism, Protection of Environment and Natural Resources, Memoranda on Cooperation in the fields of Meteorology and Standardization, Meteorology and Certification, Protocol on extending the Inter-Governmental Agreement of September 17, 1992 and the

Agreement on the formation of the Indo-Russian aviation enterprise. They also declared their intention to conclude, as early as possible. Agreements on Promotion and Protection of Mutual Investment, Air Services and Merchant Shipping.

17. The results of the Indo-Russian Summit in Moscow once again confirmed the fruitful and constructive nature of the bilateral political dialogue at the highest level and the need to continue it on a regular basis. The continuation of this dialogue and bilateral and international interaction will promote multifaceted cooperation between the Republic of India and the Russian Federation, which contributes significantly to peace and stability in Asia and in the world.
18. Signed in Moscow on June 30, 1994 in two copies each in Hindi, Russian and English languages.

President of the  
Russian Federation

Prime Minister of the  
Republic of India

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